# TWN Climate News Updates

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### Baku Climate News Updates

(November 2024)



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### **NOTE**

This is a compilation of 21 News Updates prepared by the Third World Network for and during the United Nations Climate Change Conference – encompassing the 29th session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP 29), the 19th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 19), the 6th session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 6), as well as the 61st sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 61) and the Subsidiary Body for Implementation (SBI 61) – held in Baku, Azerbaijan, on 11–24 November 2024.

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### Baku Climate News Update

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### **Uncertainties Ioom at COP 29 climate talks**

Baku, 11 November (Meena Raman and Prerna Bomzan) – Uncertainties loom over the annual climate talks which kick off in Baku, Azerbaijan, from 11–22 November. Uppermost in the minds of delegates will be the impact of the election of Donald Trump as the incoming president of the United States, and the likelihood of a US pullout from the Paris Agreement (PA) once again, as happened in 2017.

The departure of the world's largest historical and current per-capita emitter from obligations under the climate regime would have significant ramifications on efforts to limit global warming. More so when there is a strong likelihood of the US furthering the 'drill baby drill' agenda, in a complete about-turn from the difficult decision adopted by governments in Dubai last year on 'transitioning away from fossil fuels ... in a just, orderly and equitable manner'.

With the US likely to abdicate from any responsibility on reducing emissions and on contributing to climate finance, the outlook appears rather bleak for the Baku talks.

The implications are grave and portend worse calamities to come. 2024 is expected to be the warmest year on record, as we witnessed untold devastation in many parts of the world, with extreme events of severe heatwaves, forest fires, droughts and floods, with the poorest of the world, who have contributed the least to greenhouse gas emissions, already paying the cost.

The Baku COP has been hailed as a 'finance COP', with the hope that there will be agreement on a new collective quantified goal (NCQG) on finance, commensurate with the needs of developing countries in facing the onslaught of the climate crisis. The big question is whether developed countries will agree to provide and mobilise significant public resources for developing

countries as per the PA. Judging from the state of current politics in many developed countries, there appears to be public money to fund wars, bombs and genocide, but no political will to provide the much-needed public financial resources to the developing world.

Against this backdrop, the Baku climate talks will cover the 29th meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 29), the 19th session of the Conference of the Parties to the Kyoto Protocol (CMP 19), the 6th session of the Conference of the Parties to the Paris Agreement (CMA 6) and the 61st sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 61) and the Subsidiary Body for Implementation (SBI 61). Some of the key issues which will be addressed are set out below.

### The NCQG

In Baku, Parties have to fulfil the mandate agreed to in Paris in 2015, that prior to 2025, they shall set the NCQG from a floor of \$100 billion per year, taking into account the needs and priorities of developing countries.

At COP 28/CMA 5, by decision 8/CMA.5, Parties agreed to transition to a mode of work that enables the development of a draft negotiating text on the NCQG for consideration at CMA 6. The Co-Chairs of the Ad Hoc Work Programme (AHWP) on the NCQG, Zaheer Fakir (UAE) and Fiona Gilbert (Australia), have produced an input paper as a 'substantive framework for a draft negotiating text' (see further details below).

Key contentious issues that have dominated the negotiations include: the quantum of the goal; mandate of the NCQG – whether mandatory or voluntary; linkage to the Convention or not; structure of the goal – whether single layer or multi-layered; contributor base – who pays; recipient base – who receives; role of the private sector, multilateral development banks (MDBs), international financial institutions (IFIs) and domestic resource mobilisation in the achievement of the goal; and timeframe and revision of the goal.

During the process thus far, developed countries have refused to talk about the quantum of the goal which is the crux of the matter, arguing that it is a political issue to be decided by leaders and hence not to be dealt with at the current technical level. Further, they have maintained that the NCQG is not linked to the Convention (but to the PA only); that contribution to the goal is voluntary; that the contributor base is to be determined based on the 'evolving' capabilities of Parties with the capacity to pay as well as on level of emissions, countries' gross domestic product and gross national income; that the recipients are to be limited only to the 'most vulnerable'; that it is a multi-layered goal - a global 'investment' goal with a policy layer linked to enabling environment in developing countries; and that enough public finance is not available and therefore contingent upon the private sector, MDBs, IFIs and domestic resource mobilisation. They are also opposed to the inclusion of loss and damage in the NCQG, limiting it to only mitigation and adaptation efforts, and contend that the NCQG is to achieve Article 2.1(c) of the PA (on making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development) and that there should not be a revision of the goal (once agreed).

Developing countries on the other hand, as signalled by the Group of 77 (G77) and China, on the quantum of the goal, have proposed figures in the range of trillions of dollars (\$1-2 trillion per year) in accordance with their needs and priorities, and have consistently called for discussion on this but to no avail. Further, they have maintained that: (i) the NCQG is firmly linked to the Convention given that Article 2 of the PA states that the PA is to enhance the implementation of the Convention; (ii) contribution to the NCQG is mandatory, given it is a continuation of the \$100 billion annual goal and that Article 9 of the PA and the principles and provisions of the Convention constitute the foundation of the NCQG, which means the goal must be delivered by developed countries to developing countries based on equity and the principle of common but differentiated responsibilities (CBDR); (iii) the structure of the goal must be kept simple and not go

into complex layers - the goal must include lossand-damage response alongside mitigation and adaptation, and should recognise the importance of just transitions towards low-emission, climateresilient development pathways in the context of sustainable development and poverty eradication for developing countries; (iv) the goal must not impose conditionalities on the provision and/ or mobilisation of climate finance to developing countries and must operationalise the requirement for channels to ensure efficient and swift access to, and enhance the coordination and delivery of, climate finance for developing countries; (v) there must be transparency arrangements related to a definition on what to count and what not to count as climate finance; (vi) it cannot include loans at market rate, private finance at the market rate of return, official development assistance and nonclimate-specific finance; (vii) the NCQG must be delivered via the provision of public finance in a grant-based or concessional manner and the quantum must not include domestic resources of developing countries; (viii) it should provide a clear agreement on burden sharing among developed countries to establish their "fair share" of their collective obligation to provide climate finance, which allows predictability, transparency and accountability; and (ix) it must address 'disenablers' of climate finance such as high cost of capital, high transaction costs associated with access, and unilateral measures such as carbon border adjustment mechanisms (CBAMs).

These divergences between developed and developing countries came out strongly during the first AHWP meeting in April in Cartagena, Colombia (see TWN Update) — where the Co-Chairs had prepared an input paper to seek Parties' views on possible elements of the draft structure for the substantive framework for a draft negotiating text and options for content to be included under each element — as well as during the second AHWP meeting in May in Bonn, Germany, in response to the next input paper prepared by the Co-Chairs (see TWN Update) and at the closing plenary of the Bonn climate talks (see TWN Update).

Both developed and developing countries maintained their key positions at the third AHWP meeting in September in Baku, where the Co-Chairs produced an updated input paper which included two annexes: Annex 1 presented an updated input which featured section 'C. Goal formulation packages of options' containing seven different options; and Annex 2 presented a summary overview of the packages of elements for

the full NCQG as expressed by Parties and groups of Parties.

On 15 October, the Co-Chairs released an addendum which presents the 'substantive framework for a draft negotiating text' for the consideration of Parties at CMA 6.

The Third World Network (TWN) has learnt that developing countries have expressed serious concerns over the document and are not comfortable in taking the document as a basis for a draft negotiating text, given the lack of balance with their views not being reflected properly.

Hence, the first task in Baku would be on how to advance the NCQG negotiations and on what basis. What the final outcome would be will indeed be the core focus of the talks.

#### Global stocktake

At COP 28 last year, by <u>decision 1/CMA.5</u>, the outcome of the first global stocktake (GST) was adopted following a North-South divide. The objective of the GST is to assess the collective progress of Parties in meeting the goals of the PA. (See <u>TWN Update.</u>)

There are three specific mandates from that decision to be addressed in Baku:

- (i) GST refinement: Paragraph 192 of that decision decided to consider refining the procedural and logistical elements of the overall GST process on the basis of experience gained from the first stocktake, with such consideration commencing at SB 60 and concluding at CMA 6. Parties in Baku will consider the informal note from SB 60 which does not represent 'consensus' among Parties.
- (ii) The United Arab Emirates (UAE) dialogue: Paragraph 97, under the 'finance' heading of the section on 'means of implementation and support' (MOI), decided to establish a dialogue 'on implementing the GST outcomes'. Paragraph 98 agreed that the dialogue be operationalised from CMA 6 and conclude at CMA 10 (2028), and requested the SBI to develop its modalities at SB 60 for consideration by CMA 6. In Baku, Parties will consider the informal note from SB 60 which 'has not been agreed upon, is not exhaustive, and has no formal status'.
- (iii) Annual GST dialogue: Paragraph 187 requested the SB Chairs to organise an annual GST dialogue starting at SB 60 to facilitate the sharing of knowledge and good practices

on how the GST outcomes are informing the preparation of the next nationally determined contributions (NDCs). Parties in Baku will consider the secretariat's report on the dialogue which was held in Bonn in June this year.

The most contentious of these GST-related matters is the scope of the UAE dialogue referred to in paragraph 97 of the decision.

### Scope of the UAE dialogue

The contention over the scope of the dialogue revolves around whether it pertains to only 'finance'-related outcomes of the GST or whether it is related to 'all' GST outcomes. This fundamental difference on the scope dominated the negotiations at SB 60 in Bonn, obscuring the key mandate of developing the 'modalities' for the dialogue. Parties finally agreed to forward the informal note from Bonn, capturing 'five options' vision' on the scope, as the basis for negotiations in Baku.

The chapeau of the informal note states that the note 'includes divergent views on scope, modalities, and timeline of GST-related activities and has been prepared by the co-facilitators for this agenda item under their own responsibility'. The five different options on the scope of the dialogue, comprising their respective purposes and objectives as well as the modalities, are listed comprehensively in the informal note in the following order:

- (i) Climate finance/MOI to implement the GST outcomes;
- (ii) Financial support from developed to developing countries and tracking the delivery of the NCQG;
- (iii) Implementing all GST outcomes;
- (iv) All GST outcomes with a view to inform Parties in updating and enhancing their actions and support;
- (v) All GST outcomes with a focus on finance/ MOI.

Negotiations in Baku on these five different options are expected to be highly contentious. To arrive at a consensus for a decision to operationalise the dialogue starting at CMA 6 and concluding at CMA 10 will be a challenge.

Developed countries have maintained that the scope of the dialogue has to be on all the GST outcomes, while developing countries, including the African Group, the Like-Minded Developing Countries (LMDC), Group SUR and the Arab Group, have stressed that the focus should be only on finance-related outcomes of the GST and not all the GST outcomes.

The UAE dialogue is also likely to see an 'agenda fight'. In the CMA 6 provisional agenda, the dialogue is currently placed under 'Matters relating to finance', but in the annotations to the provisional agenda, there is a footnote 10 which indicates a request from the US and the United Kingdom for the item to be moved to matters related to the GST (instead of being placed under 'finance'). In response, the African Group have made a submission stressing that the dialogue should fall under 'Matters relating to finance'.

#### Matters related to adaptation

In the spotlight are two main agenda items: (i) global goal on adaptation – UAE Framework for Global Climate Resilience; and (ii) national adaptation plans.

#### Global goal on adaptation (GGA)

At COP 28 in Dubai, by <u>decision 2/CMA.5</u>, Parties adopted the UAE Framework for Global Climate Resilience which includes seven thematic targets and four dimensional targets of the iterative adaptation cycle referred to in decision 3/CMA.4.

The Dubai decision also established a twoyear UAE-Belem work programme (UBWP) on indicators for measuring progress achieved towards the thematic and dimensional targets with a view to identifying and, as needed, developing indicators and potential quantified elements for those targets.

At SB 60, following extremely contentious negotiations between developing and developed countries - especially on the inclusion of MOI and a structured expert-led process rejected by the latter - Parties eventually adopted <u>draft conclusions</u> requesting the SB Chairs to convene technical experts to assist technical work under the UBWP. It was also agreed to consider additional work by the technical experts and associated modalities at SB 61 with a view to making a recommendation on this matter for consideration at CMA 6, with a caveat in footnote 4 reading: 'Including the consideration of the Adaptation Committee and/ or an ad hoc expert group and/or expert groups, without prejudicing the outcome of negotiations at CMA 6.' Further, the draft conclusions also carry an informal note on the modalities of the UBWP 'which may be considered at SB 61, as appropriate,

recognising that these views do not capture those of all Parties and do not represent consensus'. (See TWN Update.)

At the mandated workshop on the indicators, on 8–9 October in Sharm el-Sheikh, Egypt, which brought together the technical experts, a compilation of over 5,300 indicators with 16,000 data entries was presented by the secretariat. There is also a complementary note to the compilation and mapping of indicators available online. Deliberations at the workshop were notably dominated by the need for MOI indicators demanded by developing countries as well as their experts, which was however rejected in particular by the US. This issue will clearly be a flashpoint in the negotiations in Baku.

### National adaptation plans (NAPs)

The longstanding issue here has been the demand for the provision of MOI for the implementation of NAPs by developing countries, which is vehemently opposed by developed countries led by the US. This divide was witnessed at SB 60 (see <u>TWN Update</u>) and the same fight is expected to continue in Baku; it remains to be seen whether a breakthrough will be achieved on this highly critical issue for developing countries.

### UAE just transition work programme

AT SB 60, following long and intense negotiations, Parties finally agreed to a further consideration of the just transition work programme (JTWP) in Baku, by forwarding an <u>informal note</u> with text in brackets (denoting lack of agreement). The bone of contention is the demand by developing countries for a 'workplan' and a JTWP that actually delivers MOI and international cooperation, instead of the imposition of unilateral measures which are major barriers to the just transition in developing countries. Developed countries on the other hand have been pushing for the JTWP to implement the global mitigation efforts agreed to in the GST decision in Dubai, including transitioning away from fossil fuels. (See <u>TWN Update.</u>)

The mandated second dialogue held on 2–3 October in Sharm el-Sheikh highlighted the importance of international cooperation, where the G77 and China led by Egypt said that the group sees an opportunity to foster international cooperation and partnerships by ensuring developed countries meet their obligations, which includes taking the lead in reducing emissions and providing

financial, technological and capacity-building support to developing countries. It emphasised that the dialogue should focus on this perspective, unpacking all required solutions that support this narrative through international cooperation and assessing any initiatives or unilateral measures with cross-border negative impacts that undermine these efforts.

Further, it said that international cooperation should promote a supportive and open international economic system aimed at achieving sustainable economic growth and development in developing countries according to their national circumstances and developmental priorities, with a fairer distribution of resources between and within the countries, thus enabling them to better address the problems of climate change, while assessing the unilateral measures with cross-border negative impacts in achieving a cooperative approach in the implementation of just transition pathways.

Concluding its remarks, Egypt stressed that addressing the role of international cooperation in the development and deployment of low-carbon and climate-resilient technologies should be pursued on equal partnership that leads to shared prosperity, taking into account the needs and priorities of developing countries in pursuing the implementation of their sustainable development model and poverty eradication.

The Baku negotiations on the JTWP will be closely watched on whether developing countries can successfully clinch an actionable workplan bolstered by MOI and international cooperation which would meaningfully support them to address challenges in their just transition pathways.

#### Response measures

Response measures refer to the impacts of the implementation of mitigation measures taken by Parties in jurisdiction and cross-border impacts. At SB 60, following tough negotiations, Parties eventually agreed to carry the work forward to Baku 'taking into account the non-paper prepared by the Co-Chairs' which carries a list of 60 activities to be included in the new five-year workplan. (See TWN Update.)

The most contentious activity relates to 'unilateral measures' such as CBAMs, which developing countries have proposed should be addressed, given the negative effects of traderelated climate measures with cross-border impacts. This has been strongly opposed by

developed countries. The negotiations in Baku will most likely see another protracted fight by developing countries for the inclusion of unilateral measures in the five-year workplan.

In a related development on this issue, China, on behalf of the BASIC grouping (Brazil, South Africa, India and China), has submitted a proposal to include a new item on 'Concerns with climate-change related unilateral restrictive trade measures, and identifying the ways to promote international cooperation in line with the First GST Outcome' on the provisional agendas of the SBI/SBSTA, COP 29, CMP 19 and CMA 6. How the COP 29 Presidency deals with this highly controversial issue will be closely watched.

### Mitigation work programme

At SB 60 in Bonn, negotiations on the mitigation work programme (MWP) concluded in deadlock over the core issue of its mandate, resulting in a lack of consensus on how to advance further work. Negotiations will start from scratch in Baku on this matter.

The key areas of divergence at SB 60 centred on the following issues: whether the MWP conclusions from Bonn should include any high-level political messages or not; whether there should be any linkage between the MWP and the GST decision from Dubai; whether the MWP should be a vehicle for implementation of the mitigation section of the GST outcome; and the relationship between the MWP and the NDCs, especially in light of all Parties needing to communicate their next NDCs by February 2025 (for the 2031–35 timeframe). (See TWN Update.) These issues will continue to feature in the Baku talks.

#### Further guidance on NDC features

<u>Decision 4/CMA.1</u> noted that features of NDCs are outlined in the relevant provisions of the PA and decided to continue consideration of further guidance on features of NDCs at the CMA session to be held in 2024.

One feature that all Parties underline is the need for the NDCs to be nationally determined. There is however likely to be pressure for advancing new and additional features in light of implementation of paragraph 28 from the GST decision of COP 28 on the global mitigation efforts, including on the need to transition away from fossil fuels, which could be viewed as undermining the national determination of the NDCs.

#### Article 6

At SB 60, draft texts concerning Article 6.2 (on the use of internationally transferred mitigation outcomes towards implementation of NDCs) and Article 6.4 (on a mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development) of the PA were produced as the basis for negotiations in Baku. These Articles relate to international carbon trading and carbon markets.

Many Parties, including the COP 29 Presidency, have expressed hope that Baku will deliver on settling all the outstanding technical issues regarding the operationalisation and implementation of Articles 6.2 and 6.4.

Among the sticky issues under Article 6.4 in the previous climate talks in Sharm el-Sheikh and Dubai was the lack of agreement by the CMA on the methodology requirements and activities involving removals recommended by the Supervisory Body of the Article 6.4 mechanism (SBM). The SBM then continued its work after Dubai to further develop the two documents for consideration and adoption at CMA 6 in Baku. These are the two key issues that require CMA consideration and approval. (The SBM has developed and adopted other documents like the Sustainable Development Tool (SDT) which do not need CMA approval.)

Unlike last year where the SBM sent its documents to CMA 5 for approval, the SBM took a different approach to its recommendations to the CMA this year. The SBM, in its recommendations, requested the CMA to: (i) take note of the adoption by the SBM of the two standards: (a) on methodology requirements and (b) on activities involving removals; (ii) take note that the SBM will continue elaborating and implementing the standards; and (iii) endorse this new approach of the SBM; and requested the CMA to provide any additional guidance to this approach. (The report of the SBM meeting held on 5–9 October 2024 provides the background to the new approach taken by the SBM.)

Sources informed TWN that the COP 29 Presidency is consulting with Parties on whether they have objections to the CMA endorsing these SBM standards on the opening day of the Baku conference. This can be viewed as an attempt by the Presidency to convey an achievement on the very first day of the talks.

However, there are still many issues to be resolved under Article 6.2 and Article 6.4. Under

Article 6.2, the draft negotiating text forwarded from Bonn does not represent consensus among Parties. It contains options and language in brackets under the headings on scope and definition of a cooperative approach; authorisation; application of first transfer; agreed electronic format; tables for submitting annual information as part of the regular information; sequencing and timing; process of identifying, notifying and correcting inconsistencies; inconsistencies identified in Article 6 technical expert reviews; special circumstances of the least developed countries (LDCs) and the small island developing states (SIDS); additional functionalities and procedures for the international registry; work programme; and other matters.

Under Article 6.4, the Bonn conclusions state that discussion on 'emission avoidance' is to continue in 2028 and, in relation to the draft negotiating text, note that it does not represent consensus among Parties. The draft negotiating text contains options in brackets under the headings on authorisation of Article 6.4 emission reductions; Article 6.4 mechanism registry; share of proceeds for adaptation; transition of clean development mechanism afforestation and reforestation activities; and baseline methodologies.

### **Technology implementation programme**

One of the key wins at COP 28 for developing countries was the establishment of the technology implementation programme (TIP), contained in paragraph 110 of the GST decision. The TIP is to be 'supported by, inter alia, the operating entities of the Financial Mechanism, to strengthen the support for the implementation of technology priorities identified by developing countries, and to address the challenges identified in the first periodic assessment of the Technology Mechanism'.

The decision also invited SBI 61 to take into account the TIP in its consideration of the Poznan strategic programme on technology transfer, with a view to recommending a draft decision on the matter for consideration and adoption by CMA 6. The TIP as a standalone CMA agenda item provides a valuable opportunity to advance the critical issue of implementation of technology development and transfer for developing countries, including for the development and enhancement of endogenous capacities and technologies of developing countries as referred to in Article 4.5 of the Convention. Whether any advances will be made on this matter will be closely watched.

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### Baku Climate News Update

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### COP 29 begins work after delayed start

Baku, 12 November (Radhika Chatterjee\*) – The work of the 29th meeting of the UNFCCC's Conference of the Parties (COP 29) got off to a bumpy start on 11 November in Baku. Soon after Mukhtar Babayev, the Minister of Ecology and Natural Resources of Azerbaijan, was elected as the President of COP 29, the conference plenary was suspended for more than seven hours before the adoption of the agendas of all four bodies, including COP 29, the 6th meeting of the Parties to the Paris Agreement (CMA 6), and the 61st meetings of the Subsidiary Body for Scientific and Technological Advice (SBSTA 61) and Subsidiary Body for Implementation (SBI 61).

The suspension was to enable informal consultations by the Presidency with Parties on issues in the provisional agendas, especially on the item of the 'United Arab Emirates (UAE) dialogue on implementing the global stocktake (GST) outcomes referred to in paragraph 97 of decision 1/CMA.5' under 'Matters related to finance' in the CMA 6 agenda (further details below; see Update 1 for the background on this).

Once the session resumed close to 8 p.m., the agendas of all the bodies were adopted quickly, and work was launched.

In an unprecedented move, the Presidency also pushed through the adoption of a decision on Article 6.4 of the Paris Agreement related to carbon markets at the CMA 6 session, which endorsed a new approach recommended by the Article's Supervisory Body Mechanism (SBM), without a detailed consideration of the matter by Parties in a contact group, as would normally be the case. This unusual procedural approach was sharply criticised by Tuvalu after the decision was gavelled. (See further details below.)

#### **UAE** dialogue

According to sources, consultations on this agenda item had been intense and took place over many hours with no resolution in sight. (In fact, the incoming COP Presidency had already begun consultations with groups of Parties on various issues on the agenda, including the UAE dialogue, a few weeks before COP 29, and on 10 November, had convened a heads-of-delegation meeting to find a resolution, which went on till the wee hours of the morning of the scheduled start of the conference.)

The UAE dialogue was placed under 'Matters relating to finance' in the CMA 6 provisional agenda, but there was a footnote which indicated a request from the United States (US) and the United Kingdom (UK) for the item to be moved to 'Matters related to the GST'. In response, the African Group made a submission stressing that the dialogue should fall under 'Matters relating to finance'.

The disagreement stemmed from the issue of the scope and the future placement of the UAE dialogue. Developed countries and some developing-country groupings wanted to ensure that the placement of the UAE dialogue under 'Matters relating to finance' should not mean that the scope of the dialogue covers only finance, and contended that the placement of the agenda item should not prejudge its placement in future sessions as well.

Other developing-country groupings, such as the Like-Minded Developing Countries (LMDC), the Arab Group and the African Group, were of the view that the scope of the UAE dialogue should remain finance, since it was under the finance section of the GST decision adopted in Dubai last year. They also said there should be no ambiguity over the scope of the dialogue in the footnote nor in the placement in future sessions since it belonged in its correct place.

Sources revealed that following intense consultations, the Presidency suggested going back to reflecting a portion of the footnote that was in the annotations to the supplementary provisional agenda. It seems the LMDC had proposed the same solution late on 10 November night, but this was rejected by developed countries.

Eventually, prior to the adoption of the provisional agenda, the COP 29 President reported back on the consultations and said that the UAE dialogue agenda item would remain under 'Matters relating to finance', with a footnote in the annotation stating that 'The placement of this sub-item in the agenda does not prejudge outcomes on the modalities of the dialogue being considered under the SBI'. (The CMA 5 decision from Dubai had tasked the SBI with considering the modalities of the dialogue.) The President also said that he would provide adequate space for Presidency consultations to discuss matters on the GST outcomes, while having complementarity with the SBI consideration, with regular updates to be provided, and that this understanding would be captured in the report of the proceedings. With this understanding, the CMA provisional agenda was adopted.

The huge delay due to the 'agenda fight' over this matter is an indicator of the tough negotiations that lie ahead over the scope of the UAE dialogue, i.e., whether it is about all GST outcomes or only about finance-related outcomes.

After the Presidency gavelled this agenda item, several Parties took the floor to deliver their statements. Developing-country groupings like the LMDC, the Arab Group and the African Group expressed their support for keeping the item under matters relating to finance, while most developed-country groupings insisted on the need for having a focus on all elements of the GST outcome, and that the placement of the item under finance matters did not prejudge the outcome of the work on modalities of the dialogue.

**Bolivia**, speaking on behalf of the **LMDC**, said it supported the approach of the Presidency with the spirit of flexibility. It said the GST outcome was a delicate balance achieved in the UAE consensus. It added that the UAE dialogue was referred to in paragraph 97 of the GST outcome, which was part

of the finance section of the decision. Therefore, 'the dialogue must focus on finance support from developed to developing countries and tracking the delivery of the new collective quantified goal (NCQG)'. It further added that Parties could not renegotiate the UAE consensus and the PA, and that climate ambition and action needed to be enhanced without reopening agreed decisions. 'We need to take forward implementation taking into account' the fact that 'developed countries need to provide means of implementation to developing countries.'

China, for BASIC (Brazil, South Africa, India and China), said having the item under matters related to finance was a good starting point for the session and that Parties could achieve success in this COP under the Presidency's guidance.

**Kenya**, for the **African Group**, said the UAE dialogue was in paragraph 97 of decision 1/CMA.5, which was 'primarily focused on finance to implement GST outcomes', and that 'there is no ambiguity about this'.

Saudi Arabia, for the Arab Group, said the mandate of the UAE dialogue came from the finance section of the GST decision. Highlighting the balanced nature of the GST outcome, it said 'we had achieved a landmark and comprehensive outcome as part of UAE consensus', which was a 'milestone in multilateralism, and preserved national nature of nationally determined' climate actions. It hoped this would not change at COP 29.

The European Union (EU) said though it had accepted the adoption of the item under matters relating to finance, it wanted to highlight that the purpose of the UAE dialogue was to follow up on the implementation of the GST. 'It is unfortunate that the placement of this item does not reflect this view fully,' it said. Further, it said the placement of the dialogue under finance matters should not prejudge the outcome of the dialogue and that it should not focus exclusively on finance-related matters.

Samoa, for the Alliance of Small Island States (AOSIS), said that the scope of work under the UAE dialogue was still to be decided. It stressed that its understanding was that space would be provided 'to ensure that we are able to follow up on the GST energy package as a critical element of this COP'. Highlighting the importance of the GST outcome for small island developing states (SIDS), it expressed support for the implementation of the GST to support deep emission reductions.

The **Least Developed Countries (LDCs)** too stressed the need to consider the GST outcome in its entire package.

The **Umbrella Group** said it had agreed to the adoption of the agenda item keeping in mind that 'there are a range of views on the UAE dialogue'. It said the placement of the dialogue under finance 'does not prejudge' matters related to the item. Recalling the GST outcome, it stressed on the need for delivering on goals like tripling renewable energy, doubling energy efficiency and transitioning away from fossil fuels.

Switzerland, for the Environmental Integrity Group (EIG), said it was critical that the GST be implemented in its entirety. Expressing concern about 'Parties' efforts to limit space', it said it hoped to create a meaningful dialogue to keep track of mitigation implementation.

### Decision on Article 6.4 mechanism adopted

The COP 29 Presidency gavelled through a decision on Article 6.4 of the PA, with the CMA endorsing the new approach recommended by the SBM. The decision 'welcomes the annual reports of the Supervisory Body for the mechanism established by Article 6.4 of the PA for 2023 and 2024, and the work of the Supervisory Body to operationalise the mechanism in response to the relevant mandates ...'. The decision also 'Takes note of the adoption by the Supervisory Body of the "Standard: Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies" and the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism".

The decision further notes that 'the Supervisory Body will expeditiously elaborate the standards referred to..., while striving to ensure regulatory stability, and will report on the progress made on the application of those standards in its annual report to the CMA, including on the need for further guidance, if any'. The decision reiterates the CMA's role 'to provide guidance to the Supervisory Body, as required', and that 'the Supervisory Body shall supervise the mechanism ... under the authority and guidance of the CMA and be fully accountable to it'.

The COP 29 President remarked that the early adoption of a decision on the SBM's two Article 6.4 standards would inspire all the other work in Baku, but also assured that the decision did not

mean the work on Article 6.4 would conclude. The President also said that a contact group would be convened for CMA 6 to provide further guidance to the SBM and take any further actions deemed appropriate.

Tuvalu took the floor after the adoption of the decision and conveyed that it accepted this decision with some reluctance. It warned that adopting a decision at the start of the CMA should not create a precedent for future CMAs or COPs, saying: 'Each Party, under the CMA or COP, has a mandate to report back to the CMA/COP, and time be given to have due consideration of the reports and the COP/CMA will make decisions based on the deliberations. Unfortunately, the way we started off in this manner with a decision does not reflect a Party-driven process, and we are very uncomfortable with this.' It hoped this would not be continued and wanted its statement to be recorded.

### **Opening plenary**

The morning of the first day began with opening remarks by the outgoing COP 28 President, the Executive Secretary of the UNFCCC and the COP 29 President.

The COP 28 President, Dr. Sultan Al-Jaber, said that the critical success factor for progress on climate action was finance and called for all sources, both public and private, to make finance more available, affordable and accessible. Mentioning the progress made on the Loss and Damage Fund, which had received pledges amounting to \$853 million, he stressed the need to convert these pledges into contributions and asked more Parties to contribute. He also urged all Parties to deliver on a new collective quantified goal on finance 'that is robust and capable of fully implementing the UAE consensus'.

COP 29 President Babayev said COP 29 was 'an unmissable moment to chart a new path forward for everyone' and that the Presidency was resolved 'to produce an ambitious and balanced package that delivers on all elements and takes the first GST forward'.

Laying out the vision and priorities of the Presidency, he said, 'Our plan is based on two pillars: to enhance ambition and enable action. This means setting out clear climate plans and delivering the finance we need. These two pillars are mutually reinforcing and send a strong signal to the other ... because as we mobilise climate finance we allow for high ambitions.'

Elaborating on the importance of finance at COP 29, he said that the 'top priority is to agree a fair and ambitious NCOG on climate finance. This must be effective and adequate to the scale and urgency of the problem. It must address the needs and priorities of developing countries, including SIDS and LDCs, and it must include detailed qualitative elements'. He added that 'we know that needs are in trillions, but there are different views on how to achieve that. We have also heard that the realistic goal for what the public sector can directly provide and mobilise seems to be hundreds of billions'. Speaking about adaptation finance, Babayev said 'public money will be essential to enabling conditions. This is our last challenge to scale it up significantly beyond the doubling target for 2025'. He also called for adaptation to be an important part of the NCQG.

On the NCQG, the COP 29 President said further that 'we now urgently need to finalise the elements, resolve our differences on contributors and quantum and set the new goals. These negotiations are complex and difficult. We understand the political and financial constraints. But let me make two points. First, this number may sound big but they are nothing compared to cost of inaction ... Second, we are all in this together ... Let us remember how the goal helps us. It will send a strong signal to financial markets, provide greater certainty for long-term planning, build trust and momentum for collective action and hold us all to account. This goal is not a burden but an opportunity. We must invest today to save tomorrow'.

Highlighting another priority, he added that the Presidency was determined to make progress on negotiations on Articles 6.2 and 6.4 of the PA (on carbon markets) so that high-integrity carbon markets could be put in place. This was 'long overdue' and 'will help ensure protecting the planet ... by matching buyers and sellers efficiently. Such markets could reduce the cost of implementing nationally determined contributions (NDCs) by \$250 billion a year. In a world where every dollar counts, we now need funds to show a significant flexibility to resolve all outstanding issues'.

Babayev also stressed the need for accelerating work towards developing and transferring technology. 'These are life-saving tools that must be available to all. So, we need to deliver on the technology implementation programme here in Baku. Within the COP 29 action agenda, we have opportunities for government, the private sector, multilateral development banks and everyone to play your part.'

Further, he asked Parties to advance the climate process and its mission in the next round of NDCs so that the goal of limiting temperature rise to 1.5°C could be kept within reach. 'These plans are the last chance to put the road on track and they should be informed by the first GST,' he added. He also mentioned the need for 'transitioning away from fossil fuels in a just and orderly manner, taking into account different national circumstances, pathways and approaches'.

Simon Steil, the Executive Secretary of the UNFCCC, said, 'We must agree a new global climate finance goal ... No country is immune ... let's dispense with the idea that climate finance is charity. An ambitious new climate finance goal is entirely in the self-interest of every single nation, including the largest and wealthiest. But it's not enough to just agree on a goal. We must work harder to reform the global financial system. Giving countries the fiscal space they so desperately need.'

He too expressed his support for making progress on Article 6 of the PA, saying 'we must get international carbon markets up and running'. He underlined the need to move forward on mitigation so that targets from Dubai would be realised and the 1.5°C goal did not slip out of reach.

He emphasised the need for agreeing on adaptation targets in the ongoing talks on the UAE-Belem work programme, adding that 'you can't manage what you don't measure and we need to know if we're on a pathway to increasing resilience'.

With the launch of negotiations, Baku will also see the convening of a World Leaders Climate Action Summit on 12–13 November which will be attended by several heads of state and government.

<sup>\*</sup> With inputs from Hilary Kung and Meena Raman.

# TWN

### Baku Climate News Update

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### Call for new finance goal of at least \$1.3 trillion per year

Baku, 13 November (Meena Raman) – Developing countries led by the G77 and China have called for the new collective quantified goal on finance (NCQG) 'to be ambitious and to be an amount of at least \$1.3 trillion per year from developed to developing countries with a significant provision component for adaptation, mitigation, and loss and damage'.

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This call was made by **Uganda** for the **G77**/**China** at the contact group under the Conference of the Parties to the Paris Agreement (CMA) to consider the matter of the NCQG, which convened its first session in Baku on 12 November and is co-facilitated by Zaheer Fakir (UAE) and Fiona Gilbert (Australia). (Fakir and Gilbert, as Co-Chairs of the Ad Hoc Work Programme on the NCQG, had produced a 'substantive framework for a draft negotiating text' under their own authority.)

The G77/China said that the framework produced 'cannot be accepted as a basis for negotiations' and requested the Co-Chairs to produce another text before the next session of the contact group, which will take place on 13 November.

In its intervention, apart from stating the quantum of the goal, the G77/China also highlighted the following requirements: 'An NCQG that is exclusively for all developing countries; is aligned with Article 4 of the UNFCCC and Articles 9.1 and 9.3 of the Paris Agreement and decision 1/CP.21 paragraph 53, and in line with the principles of equity and CBDR-RC [common but differentiated responsibilities and respective capabilities]. The goal is the sole obligation of developed countries to provide and mobilise climate finance to developing countries.'

The G77/China also stressed that 'we cannot accept any text as a basis for negotiations that

includes criteria to shift developed countries' obligations onto developing countries', adding that the NCQG was 'a provision and mobilisation goal from developed countries to developing countries only,' and that it was not an investment goal. 'A global investment goal does not fit the mandate and is not a subject of negotiation [and] neither does it reflect the evolving needs and priorities of developing countries,' said the G77/China. It added that 'brackets [in the text] should only be used to indicate options' and that therefore, 'no other brackets should be included'.

It also said that 'the NCQG text must clearly outline what does not count as climate finance under the goal from an accounting perspective, including non-concessional loans and export credits which cannot count towards the progress on the delivery of the goal. Resources under the NCQG must be new and additional, predictable, adequate, affordable, grant-based and concessional, enhancing fiscal space without creating fiscal constraints, and non-debt-inducive. There cannot be any conditions for finance access, and all elements of the goal must respect countries' sovereignty'.

The G77/China also said that 'dis-enablers of finance often exacerbated by and within developed countries, including through an asymmetric international financial architecture, must be addressed to enable access to quality and concessional climate finance and decision-making by developing countries'. It added that 'the Enhanced Transparency Framework (ETF) is the basis for transparency and reporting of the NCQG and should not be renegotiated'.

In addition to the NCQG, the G77/China called on developed countries to deliver the arrears of the \$100 billion commitment to developing countries. It said further that 'the NCQG must

accurately reflect the establishment of operational features to give full effect to Articles 9.4 and 9.9 of the PA in line with the needs and priorities of developing countries'.

(Article 9.4 states: 'The provision of scaledup financial resources should aim to achieve a balance between adaptation and mitigation, ... and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation.' Article 9.9 states: 'The institutions serving this Agreement, including the operating entities of the Financial Mechanism of the Convention, shall aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing States, in the context of their national climate strategies and plans.')

The sub-groups of the G77/China echoed these views.

Group SUR, comprised of Argentina, Brazil, Ecuador, Paraguay and Uruguay, said that 'the NCQG is a crucial tool to improve the capacity of developing countries to implement both the Convention and its PA during this critical decade. We expect it to be the foundation for a higher level of ambition in the next round of nationally determined contributions. For this, the NCQG must be set in a level compatible with the identified needs of developing countries; compatible with climate actions that will set us on a pathway to keep the average rise of the global temperature below 1.5°C'. It also stressed 'the principles of CBDR-RC, the right to sustainable development and the efforts to eradicate poverty'. It added that it was unfortunate that at CMA 6, there was no clear indication from developed countries on the quantum of the NCQG. 'On the contrary, we see the process still focused on the attempt of reopening Article 9 of the PA and shifting commitments that are based on historical responsibilities towards some developing countries.'

It further said that the new goal was a commitment from developed countries to developing countries to assist them in the achievement of the long-term goals of the PA and 'must not become limited to a creative accounting tool to inflate the numbers with activities that are neither for climate action nor for the support

of developing countries, including the inclusion of domestic resources in the goal. Furthermore, it must not be a way to impose additional conditionalities for accessing climate finance by developing countries'.

It added that 'the success of this negotiation depends on the establishment of a solid goal based on the provision of public finance to developing countries. Once we can agree on a provision target, we could then move on to the discussion of a mobilisation target that complements the need for grants and highly concessional resources'.

The Least Developed Countries (LDCs) said 'an ambitious NCQG provision and mobilisation quantum of \$1.3 trillion is a lifeline for our vulnerable communities. Our quantitative estimates of the financial support needed for implementing our NDCs stand at \$1.48 trillion by 2030. This translates into a requirement of \$220 billion per year for the LDCs alone. And we would want to underscore that is a significant underestimation of our needs'.

It also called for the reflection of 'operational features that give full effect to Articles 9.4 and 9.9 of the PA', aligning with the needs and priorities of developing countries and incorporating tailored features for SIDS and LDCs. It added that 'resources must be delivered predominantly as grants for adaptation and loss and damage, while mitigation efforts should be supported through highly concessional financing and long-term financing due to heightened fiscal constraints and the high cost of capital'. It wanted the NCQG 'to provide a clear definition of climate finance, addressing loss and damage alongside adaptation and mitigation actions. Furthermore, we urge the NCQG to ensure that 20% of the allocation flows through the financial mechanisms of the UNFCCC to enhance transparency, accessibility, and impact for vulnerable communities'.

The African Group said that 'ambitious climate action does require equally ambitious levels of means of implementation, particularly finance'. It said the framework document produced 'is unbalanced and does not adequately reflect the views and calls of developing countries including Africa's long held views'. It emphasised that 'COP 29 must be set an ambitious finance goal of \$1.3 trillion per year by 2030 with a burden-sharing arrangement between developed countries and strong transparency arrangements', adding that 'finance provided at market rate loans and export credits shall not be counted in the aggregate of what counts as climate finance' and that 'climate

finance shall be additional to development finance'. It also called for addressing 'the current barriers to enhancing adequacy of climate finance and take into account debt burden and sustainability in the provision and mobilisation of climate finance'. It also said further that 'we cannot reopen elements of the Convention and its PA'.

The Independent Alliance of Latin America and the Caribbean (AILAC) said the NCQG 'should be of an amount of at least \$1.1-1.3 trillion per year from developed to developing countries for a period of 10 years'. It also wanted mention of the concerns of developing countries advancing climate action 'in the context of multiple development challenges, high cost of capital, limited fiscal space, high levels of debt, and other dis-enablers of finance, since this impacts their ability to advance in the implementation of the PA and imposes additional burdens to them'. It also stressed that climate finance is additional to official development assistance (ODA) and is climatespecific, and requested for 'regional allocation floors to guarantee access to all developing countries'. On the quality of finance, it said that 'we cannot replace a climate crisis with a debt crisis', adding that 'instruments like guarantees, first-loss capital, as well as other instruments that help to redistribute and manage risk, including currency risk, are highly encouraged as well as concessional finance to be able to structure blended finance instruments, and others that contribute to free up fiscal space and deal with debt issues to increase the financial means available for climate action'.

It also said that 'dis-enablers of finance created by developed countries and an asymmetric international financial architecture must be addressed to enable appropriate climate action by developing countries. We must ensure fairer implementation arrangements' and send 'strong signals directed to supervisors, rating agencies and regulators in the sources of capital to facilitate shifting financial flows to the geographies where it is not flowing, so that we can advance eliminating barriers to redirecting capital to climate action in developing countries'.

The Alliance of Small Island States (AOSIS) said the PA embodies the 1.5°C limit on ambition, a global goal on adaptation, and a commitment to respond to loss and damage, and that defending this framework is a matter of priority. 'Article 9 of the PA sets out that finance shall be provided by developed countries to all developing countries and that developed countries should continue to take the lead to mobilise finance.

It does not make provision for any commitment related to investment,' AOSIS said, stressing that 'none of the NCQG decisions on mandate included a consideration of an investment dimension to the goal. An investment commitment lacks a common understanding. An investment commitment will shift the burden of climate finance to the private sector and disadvantage SIDS even further. In that case, SIDS'unique features including diseconomies of scale and high-risk climate profiles would not be considered favourably for investments'.

AOSIS said that in 'any future text that may be developed, there should be no option in such text that would force a compromise which ultimately undermines the PA provisions for SIDS and LDCs', adding that the PA addresses SIDS' special circumstances in its climate finance provisions in Article 9, which must finally be operationalised. Simple references or recognition to SIDS' special circumstances would not suffice, said AOSIS, which called for 'focus on scaled-up finance and enhanced access includes the adoption of respective minimum allocation floors for SIDS (at least \$39 billion per year) and LDCs (at least \$220 billion per year) within the provision goal of the NCQG'.

The Like-Minded Developing Countries (LMDC) said the framework document could not be accepted as a basis for negotiations, and asked for a new iteration to be produced. It said further that 'the climate issue is much worse than it was at the time the Convention and the PA came into existence, mainly because of the inaction of the developed countries, over and above their historical emissions', and called for 'an ambitious NCQG to deal with climate change, on top of our development priorities that are still to be met'. It also called for a quantum running to at least \$1.3 trillion per year 'as the sole responsibility of the developed countries and exclusively provided and mobilised for developing countries with a significant provision component for adaptation, mitigation, and loss and damage'.

'The NCQG is a provision and mobilisation goal from developed countries to developing countries only, [and] cannot be turned into an investment goal, against the mandate of COP 21. Any discussions on [a] global investment goal are not a subject of negotiation, neither does it reflect the evolving needs and priorities of developing countries,' stressed the LMDC.

It also wanted the NCQG text 'to clearly outline what does not count as climate finance under the goal from an accounting perspective, including non-concessional loans and export credits which cannot count towards the progress on the delivery of the goal. Climate finance under the NCQG must be new and additional, predictable, adequate, affordable, grant-based and concessional, enhancing fiscal space without creating fiscal constraints, non-debt-inducive'. It said further that 'a strong outcome for the NCQG at COP 29 is a crucial anchor on the road to COP 30, by which time all Parties are expected to have presented their NDCs'.

The Arab Group said it saw 'a clear retreat from multilateralism and the spirit of cooperation and upholding agreed principles and agreements. Our partners have gone on in this way across numerous topics, discussions and negotiations shying away from their leadership role and their historical responsibilities towards the environment and developing countries. We see inaction and chaos permeating the world, at a time when their leadership is most needed and the fulfilment of promises would be most impactful. As with the story of history, we developing countries suffer the consequences. What developing countries are left with are scraps of paper, across negotiation rooms and multilateral discussions, we are clinging on to what is left of this international system that serves our peoples. Instead of getting leadership, we are getting smokescreens, diversions and backtracking'. Elaborating further, it said 'the contributor base [discussion] is a distraction, a tactic to waste time and avoid owning up for historical responsibility and obligation', adding further that the PA was clear on the mandate of deciding a new finance goal and the obligations of developed countries in providing the means of implementation developing countries. 'Multilayers

investment goals are smokescreens; actors outside of the UNFCCC process are just that, outside the process, outside our jurisdiction and outside our control. Nothing guarantees their delivery or accountability. Additionally, it is another tactic to make the pie look bigger, and set the stage for more promises that will not be delivered. This is outside of the mandate and we will not accept,' said the Arab Group further.

'We hear public funding is not enough. We say enough of the misinformation and diversion. There are enough public funds, we saw that during the response to COVID, we see these in other activities our partners are funding. There are funds, there is no political will,' it said. 'To the world, these diversions are designed to avoid discussing the quantum, the hope is to push these discussions behind the veil, where your eyes and ears are not welcomed, with hopes enough tricks and smokescreens can help avoid delivering. We say, give us the quantum. What is your commitment? The world deserves to know.'

It also said the framework paper was not balanced, where 'our positions [are] diluted, grouped and made non-operational, while developed countries' positions are well-preserved'. The paper could not be accepted as a basis for negotiations, it said, requesting the Co-Chairs to produce a draft text taking into account its reflections.

In contrast, developed countries said the 'quantum' and 'contributor base' for the NCQG were issues for the political level (i.e., to be addressed by ministers the following week), while technical issues such as 'quality, access, instruments, context' could be worked upon and advanced this week at the technical level.

### TWN

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### Mitigation work programme should not be vehicle to impose national targets

Baku, 14 November (Radhika Chatterjee) – In the discussion at the Baku climate talks on the 'Sharm el-Sheikh mitigation ambition and implementation work programme' [commonly referred to as the 'mitigation work programme' (MWP)], many developing countries stressed that the programme should not be a vehicle to impose national mitigation targets, undermining the nationally determined nature of each country's contributions to climate action. They also highlighted the importance of means of implementation in raising their ambition.

The talks showed strong divergences over what the content of the outcome should be, in view of the existing mandate of the MWP and concerns over the changing of the mandate given the outcomes of the global stocktake (GST) decision adopted in Dubai last year.

[The MWP decision adopted in 2022, prior to the GST outcome last year, states that 'the work programme shall be operationalised through focused exchanges of views, information and ideas, noting that the outcomes of the work programme will be non-prescriptive, non-punitive, facilitative, respectful of national sovereignty and national circumstances, take into account the nationally determined nature of nationally determined contributions (NDCs) and will not impose new targets or goals'. The MWP is supposed to continue its work till 2026 before the adoption of a decision on further extension of the work.]

Informal consultations in Baku on the MWP began on 12 November under the UNFCCC's Subsidiary Bodies and are presided over by newly appointed co-facilitators Ursula Fuentes (Germany) and Maesela John Kekana (South Africa). The co-facilitators invited Parties to share their views on substantive elements they would

like addressed under the MWP and its outcomes.

Some of the key issues of divergence among Parties include: whether the MWP decision text should include any high-level political messages; whether there should be any linkage between the MWP and the GST decision from Dubai last year; whether the MWP should be a vehicle for implementation of the mitigation section of the GST outcome; and the relationship between the MWP and the NDCs, especially in light of the need for all Parties to communicate their next NDCs by February 2025 (for the 2031–35 period). The importance of means of implementation as a crucial element of raising mitigation ambition and implementation was also highlighted.

Several developing countries including the Like-Minded Developing Countries (LMDC), the African Group and the Arab Group stressed that the MWP should not be used to impose any targets on countries, as the objective of the programme was to facilitate dialogues and exchange views to provide an opportunity for Parties to share experiences and learn from each other. These groups along with Group SUR (Brazil, Ecuador, Paraguay and Uruguay) and the Independent Alliance of Latin America and the Caribbean (AILAC) emphasised the importance of means of implementation in scaling up mitigation ambition.

They said that the focus of the MWP should rather be on improving the global dialogues which are mitigation-related and the investment-focused events (IFEs) held under the programme, to ensure that Parties are able to make the most out of the dialogues conducted. They further added that the exchange of information was a very useful exercise for them, as it helped their experts to learn about different country experiences.

They said the purpose of the MWP was to inform the current implementation of mitigation actions and not future NDCs. They further argued that any imposition of new mitigation targets on developing countries through the inclusion of key messages would result in going beyond the mandate of the MWP and add a burden on developing countries.

[The global dialogues under the MWP this year focused on the topic 'Cities: buildings and urban systems'. Under the guidance of the Co-Chairs of the MWP, Amr Osama Abdel-Aziz (Egypt) and Lola Vallejo (France), the secretariat prepared an Annual Report on the global dialogues and investment-focused events held in 2024.]

Group SUR proposed an alternative way forward for the MWP, asking for the mode of the programme to be shifted from negotiations to being implementation-centric. As part of this shift, it said, some of the things which could be discussed in the MWP were the importance of means of implementation for developing countries in raising and implementing mitigation action, the impact of unilateral measures imposed by developed countries on developing countries, and 'how developed countries are taking the lead in transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, whilst moving faster in net zero commitment, so as to enable the world to achieve net zero by 2050'.

Developed countries and some developing countries especially the Alliance of Small Island States (AOSIS) and the Least Developed Countries (LDCs), on the other hand, insisted on having 'strong outcomes' from the MWP by scaling up mitigation ambition keeping in mind the 'urgency' of the situation. This, they said, was to be done through the insertion of key messages under the MWP. Some of the key elements they emphasised for these messages were: having mitigation action aligned with the 1.5°C goal, creating a strong linkage between the MWP and the GST according to paragraph 186 of the GST outcome document; scaling up mitigation action in line with paragraph 28 of the GST decision; and using the MWP to inform the process of updating NDCs.

(Paragraph 186 of the GST decision states: 'Invites the relevant work programmes and constituted bodies under or serving the Paris Agreement to integrate relevant outcomes of the first global stocktake in planning their future work, in line with their mandates'. Paragraph 28 relates

to global mitigation efforts including 'transitioning away from fossil fuels'.)

China, for the LMDC, expressed its appreciation for the positive progression achieved in the global dialogues and investment-focused events held under the MWP. It said the group saw great value in exchanging views to learn about the experience of mitigation policies and implementation measures, including the identified challenges, needs and opportunities, which would be super-beneficial for the further implementation of action. It also commended improvements made to the format of the IFEs and the 'pitch hub events' held under them, as an effort that would serve the needs of Parties, and a 'solutions hub' that provided the space for a creative session.

Calling out the developed countries for dragging their feet on raising mitigation ambition, the LMDC spokesperson expressed disappointment in some Parties being hypocritical in urging others to enhance ambition while themselves not implementing and even backsliding on their climate actions.

China added that 'some Parties have already forgotten the principles and provisions of the Paris Agreement, including equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), the nationally determined nature of the NDCs', emphasising that 'support shall be provided to developing country Parties for the implementation of Article 4 of the Agreement, in accordance with Articles 9, 10 and 11, recognising that enhanced support for developing country Parties will allow for higher ambition in their actions'.

It said some Parties were intending to make every item in the negotiations a place for 'discussing the limited components of the GST' and 'ignoring the original principle and mandate of the items'.

China said the urgency from the science was very clear but what was more important was to identify the fact that resulted in the urgency to achieve the global goal, which was the gap on implementation. 'The projected total greenhouse gas (GHG) emissions of Annex I Parties in 2030 are expected to be 0.5% higher than in 2020. Annex I Parties, which are supposed to be the leading group, in this critical decade, their GHG emission is rising. None of the Annex I Parties are projected to achieve their 2030 NDC targets ... They push for enhancing 2035 NDCs, but none of them could realise their 2030 NDCs.'

Further, said China, there were huge gaps in the pre-2020 period in both mitigation ambition and implementation by developed country Parties, compared with the Intergovernmental Panel on Climate Change's requirement which indicated that developed countries must reduce emissions by 25–40% below 1990 levels by 2020, which was not achieved.

Referring to the view by one of the Parties that 'nothing is more important than mitigation', China said this interpretation was totally wrong. Since the leading groups were not taking the lead on mitigation actions, and also not taking the lead to provide finance, the LMDC wanted to emphasise that 'nothing is more important than finance for us'.

Responding to the comments made by other Parties on ways of taking forward the work of the MWP, it said that measures like inclusion of high-level messages and using the MWP as an implementing vehicle of the GST, were already included in the GST outcome, and it may not be valuable to duplicate those in the MWP. The MWP should focus on optimising the global dialogues and the IFEs instead of duplicating the work of the GST, it stressed, adding that there was a need for 'shifting the ambition-centric discussion' to focus on 'implementation'.

Finally, China said it was premature to produce a text now and that the group would like to work on the 'skeleton' to find common ground instead of focusing on those elements where there were 'huge divergences'.

India highlighted some shortcomings in the Annual Report of the MWP, which it said 'does not capture all views'. 'While it says it is comprehensive, it also says it is not exhaustive of all issues, and indeed many aspects discussed during the dialogues are not included ... We can support elements that focus on improvements in the way in which the IFE can be structured and can deliver on its promise.'

India further said that 'new [scientific] literature ... clearly shows that the mitigation targets highlighted by some of our colleagues from the GST outcomes are results of scenarios that not only assume that the world will remain highly unequal till 2050, and none of the sustainable development goals will be met, but also that there will be increased risk of hunger as a result of the pathways that have been projected for mitigation. It will not only be absurd but also unscientific to use these results without saying all that lies

beneath these numbers. After all the very beauty of the "best available science" is that better science always keeps becoming available. If we ignore all the caveats and qualifiers that must scientifically be used while communicating these results, we would be saying that we are perfectly fine with hiding the fact that a large majority of people in developing countries will continue to face poverty and hunger. That would indeed be very "absurd", won't it be?' asked India, in an apparent reference to **South Korea**, which kept saying it was 'absurd' not to discuss the GST outcome on mitigation efforts in the MWP.

India also stressed that 'finance [is a] critical enabler of climate action. It is also important to remember that the GST relevant to mitigation would and must also include discussions on finance, on pre-2020 gaps in implementation, an emphasis on meeting the goals of the [Paris Agreement] based on equity and CBDR-RC. We have not heard any inclination to discuss these issues. Any discussion on ambition must be foregrounded on why we need ambition from even the poorest regions of the world today – and the crux of this is the inaction in the past of those who are to take the lead'.

Saudi Arabia, for the Arab Group, said that the MWP had showcased good progress and a facilitative exchange of views, adding that 'this year's exchanges have demonstrated the immense value of dialogue in promoting mutual understanding. Through the constructive exchanges and learning opportunities provided, we've gained a deeper appreciation of the need to tailor solutions to local socio-cultural and economic contexts. The principles of CBDR-RC and equity have been shown to be integral when it comes to effective implementation. This has also enhanced our understanding of the barriers and challenges, especially regarding capacity building, technology transfer and finance. The dialogues offered us a platform to explore the complexity of the various topics we face. In reflecting on these discussions, it is clear that a one-size-fits-all approach is neither feasible nor desirable. The experts have underscored the importance of context-specific solutions over prescriptive or punitive measures'.

Regarding the Annual Report, it noticed that the report 'fails to capture all the views. This presents an area for improvement for a future annual report. It must be a comprehensive reflection of all views ... It is not fair to consider something a key finding based on popularity. We all know that developing countries are not well represented in

these discussions, which puts us at a disadvantage. As opposed to trying to draw key findings, we need to think of ways to promote inclusivity, increase representation and bring the right people in the room'.

On the issue of selecting key messages from the Annual Report, Saudi Arabia said, 'It would not be constructive to cherry-pick certain solutions from a report or declare universal solutions or set of recommendations based on a single-day dialogue. It is just not possible to account for every possible circumstance, and it would go against the notion of a no-one-size-fits-all approach, as well as the non-prescriptive approach. This exercise would merely simplify complex issues and prove to be counterproductive. We are not here to give endless signals that lead us down rabbit holes [one after] another. We can give signals all day; however, this does not enhance implementation. What truly can enhance implementation is the means of implementation; it is capacity building, finance and technology transfer. What will drive implementation is overcoming investment barriers and the need for funding from developed countries. We can address this in the MWP, and we have the space for this in the MWP which is in the IFE. So far, it has not been leveraged. This is where we need to focus our efforts.'

On the issue of using the MWP as a vehicle for implementing the GST, it said 'we heard an admission that this is not the natural place, and the natural place exists somewhere else. Yet, there is still a push to enforce ... regardless of the mandate ... Thus far, our work has adhered to the original mandate [which] emphasises the importance of a facilitative, non-punitive, nonprescriptive and respectful approach to the MWP ... To be prescriptive, to introduce targets and to turn the nationally determined nature of NDCs upside down ... This is exactly what the calls for follow-up, to track progress, to implement GST, to send high-level messages [mean]. It is turning this facilitative process into a top-down, equal playing field, taking away developing country flexibility, eroding the CBDR and nationally determined nature of NDCs, and separating completely mitigation from finance'.

It added that 'the MWP cannot set specific targets or ambitions for NDCs or offer directives on their content. These contributions reflect each country's unique circumstances, priorities, and sovereign choices, as envisioned in the PA. This is sacred'.

Zimbabwe, for the African Group, said it envisaged improvements to the IFEs in the context of matchmaking, as the events had 'the potential to unlock financing [and] technology capacity building', which were 'critical enablers to drive mitigation ambition'. It said it would like to explore alternative means of financing including public and grant-based financing, which needed to be promoted along with other funding streams. It said that 'at this COP we can discuss further improvements and enhancements to address mitigation implementation'.

South Africa said several messages proposed by Parties 'go beyond the very specific discussions' that were held in the global dialogues and IFEs. It said the GST decision was a 'package outcome' that included several paragraphs, and cherry-picking messages from it would not be a good use of time. On the Annual Report, it said that even though the report may have been comprehensive and balanced, it was also non-exhaustive and did not represent the views of all Parties. Further, it said that the MWP was not the place to duplicate efforts of NDCs and the GST as countries were already in the process of updating their NDCs in a nationally determined manner, as part of their bottom-up nature.

Brazil, for Group SUR, said for 'unlocking the full potential of the MWP', it invited all Parties to shift the MWP from a negotiationfocused process to an implementation-focused programme, pragmatically and equitably centred on scaling up and speeding up the effective implementation of the Paris Agreement and the relevant decisions. It proposed 'structural improvements to the MWP, transforming it into a safe space for experimentation, where networks of actors ... continuously collaborate to identify technological, technical and financial solutions to specific challenges. The focus should be on the implementation of the GST and of Parties' NDCs, within the facilitative and non-punitive framework of the MWP'.

For this pursuit of actionable solutions to be successful, it said, 'it is essential that the needs of developing countries, including financial support, technology transfer and capacity-building, are fully taken into account. The MWP should evolve into a hub for cooperation, an incubator of solutions, and a connector of resources and stakeholders. It should build capacity at the local level, create value in local supply chains, and support sustainable development and efforts to eradicate poverty

and reduce inequalities both within and among countries'.

Brazil said that 'in relation to paragraph 28 [of the GST decision on global mitigation efforts], in addition to finance, technology and capacity-building for developing countries, it would welcome discussions on how developed countries are taking the lead in transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, whilst moving faster in net zero commitment, so as to enable the world to achieve net zero by 2050'. It added that 'it is important that the MWP acknowledges that the implementation shall be done in a nationally determined manner, taking into account the PA'.

Bangladesh, for the LDCs, said the MWP should facilitate Parties to reflect on the reality of urgency and the need for mitigation ambition in the forthcoming NDCs in 2025, in light of different national circumstances and capabilities, and that the MWP should facilitate the implementation of relevant GST outcomes and 'must facilitate mobilisation of financial resources ... particularly for the implementation of the conditional [aspects] of NDCs'.

Iran said the 'scope of the MWP should be based on broad thematic areas without targeting specific sectors. So we are of the view that the IFE could be a good place for exchanging views about how countries can unlock financial resources for climate actions in different sectors as a good signal of implementation'.

Egypt said the enhancements to the IFEs were recognised and noticeable. The IFEs provided a platform for in-depth discussion particularly on the structural barriers to investment and these events could be further enhanced. It added that the pitch hub provided another space that required further improvements and visibility in order to be fit for purpose. It also highlighted issues from the Annual Report like 'the need for equity within countries and among developing and developed countries, with developed countries taking the lead in mitigation and reach net zero by 2030, and that solutions are context-specific that takes the development stage of countries into consideration'.

On the question of including key messages in the decision, Egypt highlighted the need for clarity and assurances that the aim of such messages did not provide any prescription for Parties on how to implement their NDCs. 'Those messages will not translate any global targets to national targets, and they do not interfere with national sovereignty or provide any specific direction to Parties,' it stressed further.

Colombia, for AILAC, said there was a need for accelerating implementation of ambition on climate action and that means of implementation were needed for supporting transition. It added that the MWP 'should include calls to action as long as they are intrinsically connected to calls on financing with ambition. This approach is key to accelerating ambition and enhancing alignment with 1.5°C'. It also said that the MWP could be 'fixed if messages are meaningfully considered'. It said COP 29 should deliver the space for following up on GST outcomes and the 'UAE dialogue is the natural space for that ... If that does not materialise, the follow-up should occur in this room, or in a new space'.

(The UAE dialogue refers to paragraph 97 of the GST outcome which is under the section on 'Finance'.)

Samoa, for AOSIS, called on all Parties to do their most and come up with 1.5°C-aligned policies to reduce their GHGs. It said modality improvements in the dialogues and IFEs were needed, particularly in the selection of topics, and asked for a greater representation of issues related to SIDS. For this purpose, it highlighted the need for regional dialogues so that the special needs and circumstances of SIDS and LDCs could be addressed. It also asked for 'looking at key findings and actionable solutions' from the past two years of work in the MWP.

Switzerland, the **Environmental** for Integrity Group (EIG), wanted to see high-level messages which could recall the state of play, the importance of the 1.5°C goal, express commitment to submit 1.5°C-aligned NDCs and the need for reducing emissions, signal the need for economywide targets across all sectors and gases, and highlight the importance of NDCs being informed by the GST and the PA. It saw an opportunity for addressing barriers and learning from the best available science. Regarding logistical improvements in the MWP, it said issues like how to improve follow-up from previous discussions, possibly with dialogues at the regional level, and how to address barriers could be addressed.

The **United States** hoped for a substantive outcome in the MWP and was 'supportive of an overall ambitious mitigation outcome'. Elaborating further, it said it wanted an overall package of mitigation from COP 29 which was not limited to text in the MWP, and that it wanted 'to make

sure' that Parties came out of this COP with an 'appropriate decision'. Referring to paragraphs 28 and 33 (on global efforts to reduce deforestation and forest degradation by 2030) of the GST outcome, it emphasised the urgent need for action and said NDCs and long-term global strategies needed to be aligned with 1.5°C, adding that the roadmap for this was laid out in the GST decision.

It also said it was important to 'find a home' for mitigation discussions to expand understanding of what was working and how challenges could be overcome. It said this could be done in various places like the MWP, the just transition work programme and the UAE dialogue so that opportunities to address mitigation aspects of the GST could be addressed. It said further that such issues could be 'better captured in a cover decision' but if that did not happen, it would like to make sure 'they are covered somewhere'. It also asked for the MWP to give a call for reducing emissions and include high-level messages from the Annual Report of the global dialogue and IFEs to send a 'clear message to the broader community' that Parties were 'making progress' on mitigation.

(Some observers in the room viewed with surprise the US intervention, when the incoming Trump administration plans to exit the PA and to expand fossil fuel production, reversing any ambition on mitigation.)

The European Union said it wanted to see a mitigation outcome that covered follow-up of the GST and mentioned paragraphs 28 and 33 of the GST outcome in this context. It also said it would like to see messages on NDCs due for submission early next year. Expressing its interest in securing a substantial decision on the MWP, it referred to paragraph 186 of the GST outcome. The EU further said that based on the 'good and constructive discussions' that Parties had during the global dialogues and IFEs, it would like to create messages on topics that had been discussed so far. The implementation of mitigation, it said, could be taken up in the NDCs. It also proposed to have a

report on 'tracking progress of implementation of global mitigation efforts'.

Australia said it was 'crucial [to] show the world that we are committed to full implementation of the GST' by reaffirming its outcomes, operationalising paragraph 28 and implementing the mitigation elements of the GST outcome, including goals of tripling renewable energy and doubling energy efficiency. Highlighting the need for ambitious NDCs by 2025 with alignment with 1.5°C pathways, it said the MWP was the 'best home' for discussing mitigation. It said securing a strong outcome on mitigation 'is a priority for us' and that issues like the urgency of action and key messages from the Annual Report should be highlighted in the decision. These messages would 'not prescribe national action but consider these opportunities in different national contexts'. Stressing that the MWP had a role in implementation of the GST, it reiterated paragraph 186 of the GST outcome and invited the Co-Chairs 'to consider how the MWP can support implementation of GST through its dialogues and IFEs'. In terms of process improvements, it said it would like to see 'virtual follow-up discussions' and 'regional sessional dialogues', among other things.

The United Kingdom said it would like to see an ambitious mitigation outcome, including 1.5°C-aligned NDCs and announcement of high levels of ambition from everyone. It wanted to see a follow-up of GST outcomes and include key messages in the MWP decision from the global dialogues and IFEs. Expressing the need 'to ensure more than a procedural outcome', the UK outlined specific elements it would like to see in the MWP decision, including recognising and welcoming elements of the global dialogues and IFEs, and key messages relating to scaling up renewable energy, doubling energy efficiency and so on. Asking for an evidence-based outcome, it called for action to decarbonise urban systems.

Canada, Norway, South Korea, New Zealand and Japan made statements similar to the positions of the US, the UK, the EU and Australia.

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# Baku Climate News Update

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### Divergences over means of implementation for adaptation

Baku, 15 November (Eqram Mustaqeem) – At the climate talks in Baku, discussions on adaptation-related matters under the UNFCCC's Subsidiary Bodies continued to see divergences between developed and developing countries on the issue of the provision of the means of implementation (MOI).

Informal consultations on adaptation began on 12 November with Parties addressing matters related to the global goal on adaptation (GGA), national adaptation plans (NAPs) and the Adaptation Committee (AC).

On the GGA, divergences between developed and developing countries emerged over whether there should be indicators on MOI for the implementation of the GGA targets, as well on the consideration of the notion of 'transformational adaptation'.

On the NAPs, Parties deliberated on the progress made in the process to formulate and implement NAPs. In the AC consultations, Parties for the first time deliberated on two separate tracks – the 'report of the AC' and the 'review of the progress, effectiveness and performance of the AC', which were previously merged as one track.

#### Global goal on adaptation

In Dubai, by <u>decision 2/CMA.5</u>, Parties adopted the historic decision on the GGA framework known as the UAE Framework for Global Climate Resilience (UAE Framework), which includes seven thematic targets and four dimensional targets of the iterative adaptation cycle referred to in decision 3/CMA.4.

The thematic targets cover (i) water, (ii) food and agriculture, (iii) health, (iv) ecosystems and biodiversity, (v) infrastructure

and human settlements, (vi) poverty eradication and livelihoods and (vii) protection of cultural heritage. The dimensional targets are (i) impact, vulnerability and risk assessment, (ii) planning, (iii) implementation and (iv) monitoring.

The Dubai decision also established a twoyear UAE-Belem work programme (UBWP) on indicators for measuring progress achieved towards the thematic and dimensional targets, with a view to identifying and, as needed, developing indicators and potential quantified elements for those targets. Parties have stressed that a decision in Baku is critical, as it is the midpoint of the UBWP work which will need to be concluded by COP 30 in Belem, Brazil, next year.

The co-facilitators of the informal consultations taking place under the UNFCCC Subsidiary Bodies are Tina Kobilšek (Slovenia) and Lamin Dibba (the Gambia). In the first session of the informal consultations, which began on 12 November, the co-facilitators indicated that only the UBWP and paragraph 38 of the decision would be discussed.

[Paragraph 38 reads as follows: 'Requests the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice to initiate the consideration of matters relating to the global goal on adaptation at their sixtieth sessions (June 2024) ... with a view to providing recommendations for consideration and adoption by the CMA ... at its seventh session (November 2025), focusing on, inter alia:

(a) The exchange of knowledge, experience and information related to implementing the UAE Framework for Global Climate Resilience, including in relation to efforts to achieve the targets..., with the aim of fostering implementation;

- (b) The identification of potential inputs to future global stocktakes related to achieving the global goal on adaptation, including by considering how the UAE Framework for Global Climate Resilience can facilitate the analysis of information required for assessing progress towards the goal;
- (c) The enhancement of understanding of, inter alia, the risks and impacts associated with different temperature increases across different regions;
- (d) The opportunities for building on the best available science, including collaboration with the Intergovernmental Panel on Climate Change and other organizations, to provide information relevant to facilitating implementation of the UAE Framework for Global Climate Resilience, including in relation to the targets ...; to developing indicators, metrics and methodologies; and to identifying adaptation capacity gaps, challenges and the needs of developing countries;
- (e) The development of terms of reference for reviewing the UAE Framework for Global Climate Resilience, including the time frame for review.']

Prior to the co-facilitators outlining what would be discussed at the first informal consultation, process points were raised by several Parties including Saudi Arabia for the Arab Group, China for the Like-Minded Developing Countries (LMDC), and Morocco for the African Group, who were against any discussion on 'transformational adaptation' on the premise that the report on transformational adaptation prepared by the secretariat was given very late and there was no time to properly go through it. In contrast, the Netherlands for the European Union, Japan and Canada were for its discussion. Divergence on this matter continued in the second round of informal consultations.

Continuing on the substance of Parties' intervention on the UBWP at the first informal consultation, there was consensus by Parties that the current number of indicators mapped and developed by experts, which stood at 5,304 as per the report prepared by the secretariat on the indicators, was unworkable, and that there was a need to further refine the indicators to a much more manageable figure.

Parties also largely agreed on the need to provide further guidance and criteria to the experts to allow them to continue their work on indicators. A large number of Parties also agreed that there should be two levels of indicators, namely global-level indicators that track progress towards the GGA, and optional indicators that Parties can choose to best fit their own national circumstances. However, divergences, mainly between developed and developing countries, were clear when it came to the development of indicators for the means of implementation.

**Sri Lanka**, for the **G77 and China**, emphasised two key areas of focus for discussion – guidance for the experts of the work programme taking into account the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), and the guidelines for the experts' way of work. It also recommended that the expert group compile indicators on MOI and wanted a standalone agenda item on the GGA that goes beyond CMA 7 (2025).

Panama, for the Independent Alliance of Latin America and the Caribbean (AILAC), stated that there must be a balance of geographical contribution on indicators, and that there must be one headline target for each thematic target and optional targets for each theme, while recognising the need for MOI indicators.

**Uruguay**, for **Group SUR**, suggested having five indicators per target, with a total of 55 indicators for all the targets, balancing between quantitative and qualitative indicators. The group emphasised that MOI were essential in advancing the GGA.

The **African Group** pointed out that there was an absence of African experts in several indicator development groups and also stressed that there should be MOI indicators.

The **Arab Group** said the current list of indicators did not include indicators on MOI from developed to developing countries in line with their commitments, and that all indicators should be aligned with Article 7.1 of the Paris Agreement (on the GGA).

The LMDC said that MOI from developed to developing countries towards achieving the GGA targets should be a core consideration in the development of indicators, with action and support being reflected in a balanced manner through the work of the expert groups on indicators.

However, developed countries such as **Japan**, **Australia**, **New Zealand**, the **EU** and **Canada** vehemently opposed any inclusion of MOI indicators, on the basis that they were not part of the scope of the UBWP. On the other hand, the **United Kingdom** expressed its openness to discussing and hearing from experts on the importance of indicators on MOI.

At the second session of the informal consultations, the co-facilitators wanted discussions on paragraph 38 of the Dubai decision. However, developed countries such as **Japan**, **Switzerland**, **Australia**, **Canada**, the **United States** and the **UK** took the opportunity to emphasise their desire to discuss the notion of 'transformational adaptation'. The **Arab Group**, **African Group**, **LMDC** and the **LDCs** continued to maintain that this should not be discussed here but next year, due to the late receipt of the report on transformational adaptation.

Parties made very technical submissions on how they envisioned the operationalisation of the elements in paragraph 38.

The Arab Group said, 'Advancing the GGA should not just be about setting targets and ambition but it is also about delivering and implementing meaningful action. All of our adaptation actions and support must be guided by provisions of the UNFCCC and the PA including equity and CBDR; this must be reflected in the draft. Developed countries must meet their commitment and obligation to provide MOI as per Article 9.1 of the PA. We hear the call from our partners on transformational adaptation, yet they [have] barely delivered nor provided anything on their finance obligations. They have historical emissions but yet it is developing countries that have to transform all of their systems without any resources provided to meet their priorities and needs.'

The Arab Group's submission on paragraph 38 revolved around the creation of a 'Baku Adaptation Roadmap' with the intention of advancing implementation of the GGA, but this proposal was opposed by developed countries.

The LMDC, echoing similar sentiments to the Arab Group, emphasised that any discussion on paragraph 38 should recognise paragraph 32, which states that 'the extent to which the UAE Framework for Global Climate Resilience is implemented by developing country Parties depends on, inter alia, engagement and action at all levels, and the effective implementation by developed country Parties of means of implementation and support commitments'. It emphasised that any work on the GGA should be interpreted through the lens of paragraph 32, and this would ensure that the cardinal principles of equity and CBDR were properly taken into consideration in any GGA-related matters.

Following the discussions, the co-facilitators indicated that there was general consensus in the room for them to produce a draft text for the consideration of Parties, which was received on 14 November, with deliberations expected to continue from 15 November onwards.

### National adaptation plans

The NAP negotiations at Bonn in June this year culminated in the production of an <u>informal</u> <u>note</u> that is now a matter of contention between developed and developing countries. The informal consultations co-facilitated by Meredith Ryder-Rude (US) and Antwi-Boasiako Amoah (Ghana) saw directly contrasting positions between developed and developing countries.

While the **G77** and **China** wanted to use the informal note from the June session, developed countries wanted to mandate the co-facilitators at this session to draft a new text that is only informed by the informal note, not taking the whole of it, and to further incorporate interventions made by Parties in the ongoing informal consultations into the new draft text.

A compromise solution was reached between the two blocs to mandate the co-facilitators to colour-code any duplication from the informal note with explanatory comments. When Parties subsequently received the colour-coded informal note, the **G77 and China** at the informal consultations on 13 November said it was not agreeable to the note, which resulted in an impasse in the consultations.

At the informal consultations on 14 November, the Subsidiary Body on Implementation (SBI) Chair, Nabeel Munir (Pakistan), pleaded with Parties to find a way to come to a consensus in the NAP negotiations, 'as there is no time left to spare with the first week nearing a close'.

In the spirit of compromise, Fiji, for the G77 and China, mandated the co-facilitators to streamline the text with specific guidance. Such guidance included explicit references to developed countries' obligations and the need to scale up finance; MOI for formulation and implementation of NAPs with clear references to financial resources, capacity building and technology transfer; acknowledgement of the huge gap in financial resources for adaptation and the urgency to fill this gap for the implementation of NAPs in developing countries; and any references to the private sector as a provider of financial resources for NAPs being unacceptable, with MOI from developed countries having to be reflected in each section of the draft text.

The developed countries emphasised their preference for language on the private sector in the streamlined text.

The co-facilitators stated that they would release the draft text by 15 November at a time that would allow for adequate consideration by Parties before the next informal consultations the same day.

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### G77 and China calls for climate finance in the trillions of dollars

Baku, 18 November (Hilary Kung) – At the joint plenary meetings of the Baku climate talks held on 13 November, developing countries led by the **G77 and China** called on developed countries to significantly scale up the provision of climate finance, to be set in trillions of dollars based on the evolving needs and priorities of developing countries, and also technology transfer and capacity building to enable ambitious and urgent climate action at the scale and speed required. This sentiment was echoed across the board by subgroups of the G77 and China. Developed countries on the other hand called for the broadening of the contributor base for climate finance, including from all sources and actors.

Ambassador Adonia Ayebare (Uganda), the G77 and China Chair, set out the Group's expectation of the new collective quantified goal (NCQG) on finance and other key outcomes for COP 29. He said, 'Our multilateral climate processes must prioritise the needs of those affected, ensuring that adequate and accessible resources are available to address climate impacts efficiently during this critical decade. Increasing the ambition of climate commitments and accelerating their implementation is essential to keeping the 1.5°C scenario within reach. To achieve this, all Parties must have access to enabling conditions and means of implementation, particularly finance.'

On the NCQG, the G77/China Chair said, 'Climate finance goal must be needs-based, addressing the trillions of dollars climate finance needs to meet global climate targets. As the 2023 global stocktake recognised, there is a close association between climate ambition and fiscal space. And so, the NCQG must stipulate finance counted towards the goal must be differentiated

based on its cost, such as on a grant-equivalent basis. The NCQG needs to help unlock fiscal constraints, help accelerate implementation, and support climate ambition in the context of sustainable development and poverty eradication.' Specifically, the Group stated that 'the NCQG must uphold the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC)' and 'should establish operational features to give full effect to Articles 9.4 and 9.9 of the Paris Agreement in line with the needs and priorities of developing countries, including tailored features for small island developing states (SIDS) and least developed countries (LDCs) as set out in the PA'.

'We must secure an outcome that enables the provision and mobilisation of finance for developing countries at the necessary scale and quality, while addressing the systemic dis-enablers of climate finance, including high cost of capital, limited fiscal space and high transaction costs,' said the Group. Elaborating further, the Group called on developed countries to 'address dis-enablers, such as unilateral measures, transaction costs that are creating reverse flows from South to North. Effective engagement between Parties is essential to secure an outcome that leads to the provision and mobilisation of finance at the necessary scale and quality'.

On loss and damage, the Group recounted the significant strides made in recent years to build up the institutional architecture for loss and damage under the UNFCCC and PA, and said that addressing loss and damage remained a high priority. In Baku, the Group said, the focus should now be on ensuring the full and effective implementation of the mandates and functions of the Warsaw International Mechanism

(WIM), Santiago Network on Loss and Damage (SNLD) and the Fund for Responding to Loss and Damage (FRLD) with sufficient resources. It also highlighted the need for coordination and complementarity between the WIM, SNLD and FRLD in line with their respective mandates and governing bodies.

On the global goal on adaptation, the Group stressed on 'the urgent need to prioritise key areas of the GGA with a particular focus on providing additional guidance to the experts towards the refinement and development of existing and new indicators to assess progress on each of the targets outlined in the UAE Framework for Global Climate Resilience in the context of Article 7.1 of the PA, as well as the inclusion of indicators on the means of implementation (MOI) provided by developed countries to developing countries in meeting their obligations under the UNFCCC and the PA'.

It said it was important to provide guidance in Baku to ensure that the work to develop adaptation-relevant indicators commences right after COP 29. The outcomes of the experts' work should be submitted to the Subsidiary Body Chairs six weeks prior to SB 62 in June 2025. The Group also proposed initiating discussions in Baku for a standalone agenda item on the GGA that extends beyond CMA 7 (2025).

On national adaptation plans, the Group said, 'Despite the progress some developing countries have achieved, many of our members continue to face significant financial, capacity and technical barriers. These barriers inhibit not only the formulation but, crucially, the implementation of their NAPs ... We urge developed nations to go beyond the doubling of adaptation finance by 2025, recognising that this increase is a necessary step toward a balanced and comprehensive response to the global climate challenges.'

The Chair stressed that the aim of the technology implementation programme was to strengthen support for the implementation of technology priorities identified by developing countries and to address the challenges identified in the first periodic assessment of the Technology Mechanism.

The Group highlighted that prioritising adaptation from a just transition perspective was crucial for developing countries. 'Without acknowledging and addressing the fiscal constraints, transboundary risks, interconnected systems and increasing costs of finance in particular of adaptation in developing countries, we will not be able to achieve the just transition to achieve

more resilient economies. This would require unlocking all means of international cooperation and restraining from unilateral measures that will exacerbate implementation gaps,' explained the Chair further.

The Group reiterated, 'We confirm that the just transition aims at enabling developing countries to deliver on their highest ambition and unlock their potentials, and at the same time ensure that the envisaged transition is nationally owned and provides for the social and economic development goals, a model we have seen in several developed countries.'

The G77 and China also called on developed countries to 'continue to lead in closing the mitigation implementation gap in accordance with Article 4 of the PA and accelerate efforts to reduce emissions in this critical decade'.

On response measures, the spokesperson said the Group remained firmly committed to working with partners to agree on a comprehensive, allencompassing and thorough five-year workplan that addresses the pressing concerns of developing country Parties. The G77 and China called on Parties to give priority focus to climate action that has negative cross-border impacts, especially on developing countries and their ability to address their socioeconomic developmental goals.

China, for BASIC (Brazil, South Africa, India and China), highlighted that the main outcome of COP 29 would be to complete the deliberation of setting an NCQG on climate finance from developed to developing countries, as the key enabler for developing countries to communicate ambitious NDCs in 2025 and for enhanced climate implementation in this critical decade. It said, 'The new goal must respond to Article 9 of the PA. Climate finance means that developed countries must provide and mobilise resources to support climate action in the developing world.' It called out attempts to dilute legal obligations or to weaken the responsibility to provide new and additional financial resources.

It also stressed the importance of adaptation and urged 'developed countries to increase multifold their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2024, with a transparent roadmap to a 50:50 allocation of the NCQG on mitigation and adaptation'.

China also expressed deep concern over the 'trends towards unilateralism, trade protectionism and fragmentation of international cooperation that jeopardises trust and, consequently, ambitious

climate action'. It reiterated that 'measures taken to address climate change, including unilateral measures, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade', and urged the international community to cooperate in a united front to combat climate change. 'We resolve to work together to ensure that developing countries are not adversely impacted by these unilateral measures that undermine multilateralism and threaten sustainable development.'

It then said that 'BASIC notes the leadership void left by developed countries. This void only reinforces the urgency of strengthening multilateralism, and of delivering obligations under the UNFCCC and its PA'.

**Saudi Arabia**, speaking for the **Arab Group**, also commented on the NCQG and recalled Article 9 of the PA on the responsibility of developed countries to provide financial support to developing countries, adding that it was unfortunate to see attempts to weaken and stay away from commitments and pledges.

Kenya, for the African Group, said, 'COP 29 is being referred to as the "Finance COP", and we need to deliver that. The African Group calls for an ambitious, time-bound finance goal that aligns with the needs of developing nations. Our call is clear: the NCQG must establish a core public finance target grounded in equitable burden sharing by developed countries alongside a mobilisation target that addresses adaptation, loss and damage, and mitigation. To truly bridge the adaptation finance gap, we must see a commitment to accessible, affordable financing - critical for African countries facing high debt and capital costs. COP 29 should deliver an outcome that brings back faith in our process, noting the previous decisions on the shortfalls of climate finance.'

Bolivia, for the Like-Minded Developing Countries (LMDC), said 'the time has arrived for us to ensure that implementation of climate action in developing countries is supported by an ambitious climate finance goal. Not an investment goal, not a multi-layered goal, not something that is pledged and forgotten and not an untraceable goal either. It must be a cyclical goal whose quantum responds to the needs of developing countries and whose delivery can be tracked. Approval of this goal is the only hope for the lives of millions of people in our parts of the world'. Commenting further, it said it would not entertain any attempts to renegotiate the PA or talk about layers and

investment goals, etc. Public finance was central to the NCQG, it stressed.

The LMDC outlined some examples of the shifting of goalposts and said that implementation of commitments was a sorry state of affairs. It said, 'Only 58 developing countries have formulated NAPs so far and CMA 5 has called on Parties to have their NAPs, policies and planning processes by 2025. In the technology reports we find the number of green climate readiness projects supported through the Climate Technology Centre and Network (CTCN) has decreased dramatically in the past few years and there's even no new projects that have been approved nor implemented in 2024. The CTCN continues to face severe challenges due to limited funding, which restricts its ability to address the increasing number of technical assistance requests.'

On mitigation, the Convention and its PA were clear on who must take the lead, but this leadership had not been forthcoming, Bolivia said, calling out developed countries for their failure to achieve the target of 25–40% emissions reduction by 2020 over 1990 levels. 'This was also a target by the IPCC [Intergovernmental Panel on Climate Change]. Such selective amnesia does not serve the process. It is because of their failure that we need finance,' said Bolivia further.

Malawi, for the Least Developed Countries, noted that access to climate finance remained a particular challenge for the LDCs and therefore the NCQG must give confidence to countries to enhance climate ambition and support implementation of NDCs, NAPs and long-term strategies. Further, it also said that the GGA remained a high priority for the LDC group. After the successful establishment of the UAE Framework for Global Climate Resilience, it expected the UAE-Belem work programme to deliver comprehensive indicators by COP 30. Hence, the group said it was imperative to reach an agreement on the modalities that could allow the immediate start of this work post—COP 29.

Peru, for the Independent Alliance of Latin America and the Caribbean (AILAC), said that the NCQG was established to support developing countries. It further stressed that the NCQG was an obligation under the Convention and PA. It said it was troubled by proposals that sought to facilitate North-North flows and domestic flows under the term 'global goal on investment', adding that this weakened the purpose of the NCQG. It was also alarmed by certain developed counties

shifting the burden to the private sector when the latter only serve their private objectives and not the PA objectives; private financing would increase the cost of financing, make it less predictable and decouple from the needs and priorities of developing countries. Peru called for the NCQG to focus exclusively on developed countries providing the additional amount in trillions of dollars with emphasis on international public financing (which must be mostly grants and not loans). It said addressing the climate crisis should not trigger a debt crisis and that the current international financial architecture penalised ambition.

Brazil, for Group SUR (Brazil, Ecuador, Paraguay and Uruguay), said one core element for the NCQG was the need for transparency – there was a need to be crystal clear on what climate financing is and is not; otherwise tracking of climate financing was not possible.

Samoa, for the Alliance of Small Island States (AOSIS), rejected any notion of expanding the contributor base for the NCQG, which was not in full faith towards achieving the goal of the PA.

Australia, for the Umbrella Group, said, 'The NCQG on climate finance must chart a new path forward on climate finance, consistent with Article 9, respond to the needs of developing countries and support delivery of the PA. It is critical we decide this goal here in Baku.' Further, it said that the NCQG 'must be multi-layered, speaking both to the trillions of investments required from all relevant sources to respond to the climate crisis, and the billions from, and mobilised by, public sources for ambitious action in developing countries. The support layer is the core of the NCQG'.

On expanding the contributor base, it said that 'countries who already provide climate finance commit to continuing to do so. Countries who have the capacity to do so, must step up to contribute. Finally, the NCQG must be underpinned by a robust suite of qualitative elements, including on access, debt sustainability, policies and incentives and more to provide a roadmap for scaling up investments in climate action and to support those most in need'.

Hungary, for the European Union, said, 'In Baku, we need to achieve an ambitious outcome on the NCQG by agreeing on the overall scale of the quantum, ensuring that the group of contributors is broadened including to those Parties that are capable to do so and the collective responsibility to contribute reflecting global solidarity, making sure that the finance flows to those who are most vulnerable, while driving the mobilisation of finance at scale towards the PA objectives.' It said further that 'while we attach great importance to the public core of the new goal, public resources alone will not suffice. We need to make sure we send a strong signal for a major shift of the global economy, the international financial architecture, financial markets and investments, mainstreaming climate change into economic and financial decisions domestically and globally, as well as into national budgets and the development finance system'.

South Korea, for the Environmental Integrity Group (EIG), underlined the need for a solution on the NCQG contributor base which supports the achievement and transparency of the goal while recognising that developed country Parties should take the lead without changing the obligation under the PA. The goal must speak to all actors and sources, including those outside of the UNFCCC regime, to achieve global transformation. It expressed readiness to agree on ambition, and said there was a need to foster global investments and set the right policy incentives in a nationally determined manner to push and pull capital in sectors and geographics where it was most needed.

# TWN Baku Climate News Update 7

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### Subsidiary Bodies end work and transmit results to COP 29

Baku, 18 November (Radhika Chatterjee, Meena Raman and Eqram Mustaqeem) – The UNFCCC's Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA) concluded their work at their 61st sessions in Baku on 16 November and transmitted the results of their work on some key agenda items to COP 29 and the 6th session of the Conference of the Parties to the Paris Agreement (CMA 6).

The closing plenary, presided over by the SBSTA Chair, Harry Vreuls (Netherlands), and the SBI Chair, Nabeel Munir (Pakistan), convened only at around 10 p.m., following very intense discussions among Parties on how to conclude the results of the work during the first week of the Baku talks which commenced on 11 November.

On several agenda items, Parties agreed to continue the work in week 2 of the talks, with informal notes containing draft decision texts prepared by co-facilitators of the consultations to capture the progress of work. These informal notes do not reflect consensus but Parties agreed to advance further work and negotiations on them as a starting point.

However, on the agenda item dealing with the mitigation work programme (MWP), there was no consensus among Parties to work on the basis of the informal note prepared by the co-facilitators, given divergent views on the mandate of the MWP (see details below).

The same is the case with the just transition work programme (JTWP), where some Parties viewed the informal note from the co-facilitators as not reflecting their views and therefore imbalanced as a basis for further consideration (see Update No. 9).

On the matter of the UAE dialogue from paragraph 97 of the global stocktake (GST)

decision adopted in Dubai last year, which is under the 'finance' heading of the section on 'means of implementation and support', there was consensus to work on the basis of the informal note of the co-facilitators, containing options for further negotiations, with the scope of the dialogue being the most contentious issue (see details below).

On the global goal on adaptation, Parties agreed to forward a draft text for further discussions to be conducted under the CMA (see details below).

Meanwhile, on the new collective quantified goal on finance (NCQG), which is a matter not under the Subsidiary Bodies but under the CMA, work is progressing to advance the critical negotiations this week, given the Baku COP is labelled as a 'finance COP' (see Update No. 8).

Ministers have begun to gather in Baku for the final stretch of the negotiations, which continue to see disagreements on many fronts.

According to a note shared by the COP 29 Presidency with Parties, the Presidency plans to carry forward work under three tracks: 'ministerial consultations focusing on outstanding political issues; continued technical work on a limited set of issues, into which emerging political agreements can be incorporated; and complementary presidency consultations.'

### Mitigation work programme

Parties could not achieve consensus on the work of the MWP. This was announced at the SB 61 closing plenary by SBSTA Chair Vreuls, who said that 'Parties have considered this matter' and the 'item will be included in the provisional agenda of next session in accordance with ... Rule 16'. (Rule 16 of the UNFCCC's draft Rules of Procedure provides that 'Any item of the agenda of

an ordinary session, consideration of which has not been completed at the session, shall be included automatically in the agenda of the next ordinary session'.)

However, the MWP is also on the agenda of the current CMA session (CMA 6). Given the lack of consensus over using the informal note produced by the co-facilitators, Ursula Fuentes (Germany) and Maesela John Kekana (South Africa), as a basis for further negotiations, how the mode of work will continue on this matter remains to be seen.

The key area of divergence amongst Parties regarding the way forward on the MWP was the issue of whether or not the informal note produced by the co-facilitators 'under their own authority' should be considered as a starting point for further negotiations.

Developing countries like the Like-Minded Developing Countries (LMDC), the African Group and the Arab Group expressed concerns about several elements of the note going beyond the mandate of the MWP as provided in decision 4/CMA.4. They said several elements proposed using the MWP as a vehicle for implementation of the GST, which went against the approach of being 'non-prescriptive, non-punitive, facilitative, respectful of national sovereignty and national circumstances' (see Update No. 4 for more details). At the closing plenary, the LMDC requested for the application of Rule 16 to the consultations held under SB 61. Group SUR (Brazil, Ecuador, Paraguay and Uruguay) said the MWP should be a 'safe space for implementation' and that it favoured continuing talks but without the 'base text' that was produced by the co-facilitators.

[Among the most controversial paragraphs in the informal note was paragraph 32 which 'Urges Parties to (a) phase out unabated coal power generation in energy systems globally consistent with keeping the 1.5°C temperature goal within reach; (b) immediately end permitting and construction of new unabated coal-fired power plants and phase out existing unabated coal power generation; (c) phase out fossil fuel subsidies that do not address energy poverty or just transition, as soon as possible'.]

During the informal consultations on the MWP, the LMDC and Arab Group rejected the note and asked the co-facilitators to produce another streamlined version that was within the MWP mandate, while developed countries insisted on continuing consultations on the basis of the note.

Developed countries and some developing countries like the Alliance of Small Island States (AOSIS), the Independent Alliance of Latin America and the Caribbean (AILAC) and the Least Developed Countries (LDCs) wanted to adopt a procedural conclusion for the MWP instead of applying Rule 16, as they wanted reflection of the progress made during the informal consultations held in the first week.

At the closing plenary of the Subsidiary Bodies, Bolivia, for the LMDC, said, 'We tried really hard for an outcome, but it is unfortunate that we could not find agreement among us. Rule 16 should be applied ... We are deeply disappointed that we have been termed blockers in the mitigation room. This is deeply disrespectful, untrue and not in good faith. The fact is the views expressed by our partners are so far out of the mandate that it became difficult to find even a common starting point. Allow us to restate the mandate of the MWP. The MWP is to: ensure a facilitative, non-punitive and non-prescriptive outcome and approach; respect national sovereignty and circumstances and the nationally determined nature of nationally determined contributions (NDCs); ensure that no new targets or goals would be imposed. Instead, we heard of targets and outlandish proposals when really there has been no progress on finance. There is still only a zero in the NCQG discussions; no number; [and] no ambition. The ambition-support linkage must not be forgotten. Let us remember that this is a "Finance COP" and we expect developed countries to deliver.'

Highlighting the 'huge mitigation gap', it said further that 'the reason the decade has become critical [for emission reductions] is largely because of the inadequate action and unfulfilled promises by developed countries. Mitigation action by developed countries has not been forthcoming, even though the Convention and its Paris Agreement make it clear that the developed countries must take the lead on mitigation. What is forgotten, perhaps conveniently, is that developed countries have failed to achieve the IPCC-recommended target of 25-40% emissions reduction by 2020 over 1990 levels; several of them have left the Kyoto Protocol, leaving a gaping hole in mitigation action. Further, the projected total greenhouse gas (GHG) emissions of Annex I Parties in 2030 are expected to be 0.5% higher than in 2020. I repeat, higher. Developed countries are talking about reaching 1.5°C while their actions and plans back home reveal the opposite. They have overused the carbon budget and it seems that they don't want to leave any for developing countries. We have conveyed ... that we must stick by what we have agreed to, not depart from principles and provisions of the Convention and its PA'.

Referring to the venue of the COP, Bolivia said, 'This is a stadium but we must put an end to the games being played here. It's time to get serious. We urge our partners to stop trying to push the mitigation burden on developing countries. Show leadership, pave the way for us. This is a legal obligation. Bring back the good faith [in the negotiations].'

Kenya, for the African Group, said, 'We engaged constructively to find a landing ground; there was no convergence on the understanding of the mandate and scope of the MWP. The African Group will not accept multiple elements of a top-down and prescriptive nature, which we are concerned will make it very difficult for Africa to move forward on the matter. We would like to reiterate that the existing modalities of the global dialogues and investment forums [under the MWP] have been invaluable for Africa, and we can do with some enhancements and improvements. We think that it is not right to use the MWP as a placeholder for policy messages and GST elements. We stress that its purpose is to create an enabling environment for ambitious action. Efforts to transform the MWP into a platform for setting targets contradict the principles of national determination that underpin mitigation actions.'

Saudi Arabia, for the Arab Group, said, 'We have come to these discussions with a genuine desire to reach a decision on the MWP. We have been working diligently within the agreed mandate, a mandate that reflects our shared understanding. Yet, despite this, we see attempts to condition progress. Some are holding agreed elements hostage to push for additional outcomes - outcomes that stretch far beyond the mandate we collectively approved. This approach risks undermining not only the progress we've made but also the trust in this process ... The MWP mandate is clear: It ensures a facilitative, non-punitive and non-prescriptive outcome and approach; it respects national sovereignty and circumstances and the nationally determined nature of NDCs; and it ensures that no new targets or goals would be imposed. These principles are not just words – they are the foundation of this programme. They ensure fairness, equity and respect for the diversity of pathways that each Party must navigate. Despite these clear guidelines, we now face efforts to undermine the essence of this process. Some are attempting to turn a facilitative, bottom-up approach into a prescriptive, top-down one. They are eroding the flexibility that developing countries

depend on, fragmenting mitigation from the critical means of implementation, and sidelining foundational principles of equity, common but differentiated responsibilities (CBDR) and the nationally determined nature of contributions.' It further called on all Parties 'to respect the mandate, honour our agreements, and work constructively toward a meaningful outcome'.

Brazil, for Group SUR, said it had engaged constructively in the MWP discussions and even made a substantive proposal because it thought a new approach was needed. It added the focus now had to be on implementation and the MWP had to 'signify a safe space for countries to bring forward their mitigation efforts', and stressed that this would be 'a space for implementation'. Regarding the way forward for the MWP discussions, it said it favoured the continuation of discussions but with no 'base text' (referring to the co-facilitators' informal note), but 'in terms that Parties feel safer to debate this important matter'.

India said it was 'concerned about the progress we have made during the last week. We have seen no progress in matters that are critical for developing countries. Our part of the world is facing some of the worst impacts of climate change, with far lower capacity to recover from those impacts or to adapt to the changes to the climatic system for which we are not responsible. We notice a tendency to ignore the decisions taken in the past – related to the [MWP] and the context of the GST in the PA, where it informs the Parties for undertaking climate actions ... Those with the highest capacity to take climate action have continuously shifted goalposts, delayed climate action, and consumed a highly disproportionate share of the global carbon budget. We now have to meet our developmental needs in a situation of increasingly depleting carbon budget and increasing impacts of climate change. We are being asked to increase mitigation ambition by those who have shown no such ambition, either in their own mitigation ambition and implementation, or in providing the means of implementation. This bottom-up approach is being attempted to be made into a top-down approach, in turn attempting to turn the whole mandate of the MWP and the principles of PA upside down'.

It added that 'for the past week in this "finance COP", we have been frustrated by an unwillingness to engage on this issue by our developed country partners. If there are no means of implementation, there can be no climate action. How can we discuss climate action when it is being made impossible for us to act, even as our challenges in dealing with the impacts of climate change are increasing?"

During the informal consultation preceding the closing plenary, India also raised the importance

of developed countries delivering means of implementation (MOI) to developing countries. On the informal note prepared by the MWP cofacilitators, it said 'we also want to highlight that there is also a procedural concern – co-facilitators are expected to be the guardrails [to ensure] that what we discuss is within the scope and mandate. Many Parties have veritably pointed out that there is an imbalance in the reflection of issues. Many important issues are not receiving the attention it deserves, and the finance issue remains unresolved, yet there is continued pressure for increased ambition in this decade ... We need to address these concerns properly before pushing forward. We can't move with the informal text in its current format. And this isn't to be read as reluctance to engage in the MWP but with the informal text with no locus standi within the scope and mandate'.

The **United Kingdom** said that though the MWP had a 'slow start', Parties had 'engaged in sharing views constructively' and that some progress had been made. Regarding the application of Rule 16 to the MWP discussions, it said the rule 'does not represent discussions on this agenda item' nor did it represent the progress that had been made during the week. It wanted the adoption of a procedural decision and asked for the matter to be further considered at the CMA.

The **United States** expressed its 'deep disappointment about the pace and status' of the MWP and said there was a need for 'an outcome that reaffirms and strengthens [the] GST decision and integrates its work into this programme ... We will continue to pursue this matter under [the] CMA'.

The European Union, Environmental Integrity Group (EIG), Australia, Norway, Canada and Japan made similar remarks and asked for a procedural conclusion to be forwarded from the SBSTA and SBI to the CMA for taking forward the MWP work.

**Peru**, for **AILAC**, said the MWP was the 'only space we have to address mitigation' and highlighted the 'alarming findings of most recent scientific reports' coupled with recent instances of extreme weather events. It added that the cofacilitators of the MWP, acting within their authority and mandate, had 'presented a robust and inclusive informal note that reflected views of all Parties'. It said this note highlighted developing country priorities like the critical role of public finance, international cooperation, access to funding and addressing the cost of capital along with 'calls for action and enhancing mitigation ambition and implementation'. It further said that discussions on mitigation were being deliberately obstructed even as developing countries continued to shoulder an

overwhelming burden of loss and damage, adding that a group of Parties were 'continuously trying to block consensus' and refused 'to allow views to be reflected in the process'. It said this 'process does not impose obligations on any Parties' and that it was 'essential to create momentum needed to enhance implementation'. It called for 'a procedural conclusion that reflects the fact that we agree that there is no agreement so far and we continue working on this next week'.

Samoa, for AOSIS, said the MWP could be further discussed and that procedural conclusions 'will be the best way forward'. It said it needed to see an outcome on mitigation in this COP to make it a success. 'We need a decision of substance on the MWP', one which 'showcases solutions from the global dialogues and investment-focused events, integrates GST outcomes, speaks to our NDCs'. Bangladesh for the LDCs made similar remarks.

After hearing all the interventions, the SB Chairs consulted amongst themselves, following which SBI Chair Munir said that there was 'no consensus on the UK proposal' and that Rule 16 would be applied, since consideration of the item had not been concluded and would be taken up in the next session.

#### **UAE** dialogue

Consultations on the UAE dialogue concluded without the adoption of any procedural conclusions by the SBI. Parties agreed however to forward the informal note produced by co-facilitators Ricardo Marshall (Barbados) and Patrick Spicer (Canada). The SBI agreed to forward this matter to CMA 6 for consideration. Further guidance regarding the mode of work on this item will be provided by the COP Presidency on 18 November during the plenaries of the COP/CMA.

The SBI recognised that the informal note included divergent views on modalities, and that it had not been agreed upon, did not reflect consensus, was not exhaustive, had no formal status, was open to revision and did not prejudge further work to prevent Parties from expressing any further views.

After the gavelling of the transmission of the informal note to the CMA, the EU took the floor and said, 'The world expects COP 29 to deliver on how we are making progress collectively and individually to implement the UAE consensus and all actionable calls in the GST decision. The EU had hoped to advance further on the modalities of the UAE dialogue.' It said it would like to see a follow-up on all elements included in the GST decision while having flexibility on where this takes place. All actionable calls in the GST decision, be they

on adaptation, mitigation and energy transition or finance, needed to get an operational follow-up.

AOSIS said, 'In order to ensure that the most vulnerable are not left behind, in the GST, Parties agreed on measures that we would undertake collectively to move us closer to our stated objectives. It seems as though for COP 29, many Parties would like for us to conveniently forget what we agreed, or at the very least to put it on hold indefinitely.' It made clear that 'we cannot consider this process a success if there is no opportunity to advance on what we have agreed last year in the GST. Efforts to this are being blocked across agenda items. We are being invited to engage in collective amnesia when what we need at this time is to strengthen individual and collective action. We would urge you and other presiding officers to provide us with guidance on how we proceed from here. We are surprised and disappointed by the situation that has unfolded thus far, and we hope that we'll be able to find common ground and move forward respecting the agreements we have made and working towards the implementation of the agreements that we have already reached.'

During the discussions on the UAE dialogue in the first week, the key point of divergence centred around the issue of the dialogue's scope, i.e., whether it covered only 'finance'-related outcomes of the GST or 'all' GST outcomes. This fundamental difference on the scope dominated the negotiations. The informal note forwarded from SB 61 to CMA 6 lists four options on the scope in the following order:

- (i) 'Financial support from developed to developing countries to implement their nationally determined contributions under the Paris Agreement and their national adaptation plans, and tracking progress in the delivery of the new collective quantified goal for climate finance, in accordance with the timelines and outcomes of the Paris Agreement to facilitate the revision of the NCQG as well as feed into the second global stocktake process';
- (ii) 'Implementation of all outcomes of the first global stocktake';
- (iii) 'The implementation of all outcomes of the first global stocktake, with a particular focus on the provision of finance, as well as capacity-building and technology transfer';
- (iv) 'Financing the implementation of nationally determined contributions and national adaptation plans and the agreed climate goals and relevant outcomes of CMA 3, CMA 4, and CMA 5'.

During the informal consultations, developed countries like the US, the EU, the UK and the EIG maintained that the scope of the dialogue had to be on all the GST outcomes. Option (ii) was the option proposed by developed countries.

Developing countries including the LMDC, Group SUR and the Arab Group stressed that the focus should be only on finance-related outcomes of the GST and not all the GST outcomes, showing a preference for option (i), while the African Group shared a similar proposal reflected in option (iv). AOSIS, AILAC and LDCs expressed a preference for focusing on option (iii).

### Global goal on adaptation

During the first week, Parties worked tirelessly on the GGA, with three issues being the most contentious: paragraph 39 of the GGA decision from Dubai on the two-year UAE-Belem work programme; the five elements of paragraph 38; and paragraph 46 on 'transformational adaptation' (refer to Update No. 5 for further details).

After four sessions of informal consultations co-facilitated by Tina Kobilšek (Slovenia) and Lamin Dibba (the Gambia), Parties could not conclude discussions and decided to forward the matter, along with the work-in-progress draft text, to the CMA for consideration next week.

Opposition by developed countries to the inclusion of any language on MOI, including its indicators, along with reluctance by the LMDC, LDCs, African Group and Arab Group to discuss a report by the secretariat on transformational adaptation, were major points of contention that Parties will seek to bridge in the second week.

#### National adaptation plans

In the discussions on NAPs co-facilitated by Meredith Ryder-Rude (US) and Antwi-Boasiako Amoah (Ghana), there was a general sense of optimism amongst Parties as they made significant progress in finalising the draft decision text in the final hours before the SB closing plenary.

Building on the air of optimism in the room, Fiji, on behalf of the G77 and China, proposed that discussions on the draft text continue in the second week to allow for Parties to conclude work on the text, a rare occurrence considering that NAPs are a joint SB agenda item that is not under any of the governing bodies of the CMA or the COP. As Parties agreed on the way forward proposed by the G77 and China, the discussions on NAPs will continue in the second week, hopefully with a successful outcome.

# TWN

### Baku Climate News Update

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### Fate of the new finance goal hangs in the balance

Baku, 18 November (Prerna Bomzan and Meena Raman) – The fate of the new collective quantified goal (NCQG) on climate finance hangs in the balance, as the Baku climate talks enter the second and final week of negotiations, scheduled to end Friday, 22 November.

Right from the start of work on the NCQG in the first week, developed country negotiators made clear that they would not be able to engage on text on the issues of the quantum of the goal and of the contributor base, as they said these were matters to be addressed by their ministers in the second week, starting Monday, 18 November.

The elephant in the room is the likely exit of the United States from the Paris Agreement once the Trump administration is in office, abdicating any responsibility for the provision and mobilisation of climate finance to developing countries. While developing countries are calling for at least \$1.3 trillion per year from the floor of \$100 billion, whether there is political will from the remaining developed countries to provide a significant quantum in public resources remains to be seen. According to sources, there is a call from some developing countries for the provision of public resources of at least \$600 billion per year, out of the \$1.3 trillion per year for the 2025–29 period, with the remainder mobilised by developed countries.

The NCQG is a highly anticipated key outcome to be delivered in Baku, which has been dubbed a 'finance COP'. However, the issue has been heavily mired in a North-South divide on the following contentious matters that have dominated the negotiations: the quantum of the goal; mandate of the NCQG – whether mandatory or voluntary; linkage to the Convention or not; structure of the goal – whether single layer or multi-layered

(i.e., whether from public resources of developed countries only or also including a mobilisation and investment goal not limited to only coming from developed countries); contributor base – who pays; recipient base – who receives; role of the private sector, multilateral development banks (MDBs), international financial institutions (IFIs) and domestic resource mobilisation in the achievement of the goal; and timeframe and revision of the goal, among others. (See Update No. 1 for a detailed background.)

In the evening of 16 November, at the closing contact group co-chaired by Zaheer Fakir (United Arab Emirates) and Fiona Gilbert (Australia), a draft decision text (not public) with no consensus was transmitted to the COP 29 Presidency, paving the way for ministerial work in the second week of the talks.

The closing contact group had been extended by the COP 29 Presidency from its original 16 November morning deadline until 5 p.m. in order to further streamline the draft decision text. However, sources said that work conducted in 'informal-informal' (inf-inf) discussions, with only Parties participating in an informal setting to thrash out divergences, did not conclude in a consensus. The process that resulted in the final transmission of a no-consensus draft text to the COP Presidency unfolded as follows.

The first iteration of the draft decision text was produced by the Co-Chairs on 13 November, after views from Parties were heard at the opening contact group on 12 November, when the Co-Chairs presented the <u>substantive framework for a draft negotiating text</u> which was produced under their own authority. The substantive framework met with mixed reactions, with developing countries rejecting it while a majority of the developed

countries were willing to take it as a basis of negotiations albeit expressing disappointment that not all of their views were reflected, but nonetheless providing the mandate to the Co-Chairs to produce a draft decision text.

Developing countries represented by the G77 and China said that the substantive framework presented 'cannot be accepted as a basis for negotiations' and requested the Co-Chairs to produce a text before the next session with the following requirements:

- '1. The NCQG must be ambitious informed by the evolving needs and priorities of the developing countries we need to see an amount of at least \$1.3 trillion per year from developed to developing countries with a significant provision component for adaptation, mitigation, and loss and damage.
- 2. An NCQG that is exclusively for all developing countries.
- 3. Aligned with Article 4 of the Convention and Article 9.1 and 9.3 of the Paris Agreement and decision 1/CP.21 paragraph 53, and in line with the principles of equity and CBDR-RC, the goal is the sole obligation of developed countries to provide and mobilise climate finance to developing countries. We cannot accept any text as a basis for negotiations that includes criteria to shift developed countries' obligations onto developing countries.
- 4. A provision and mobilisation goal from developed countries to developing countries only. NCQG is not an investment goal. A global investment goal does not fit the mandate and is not a subject of negotiation neither does it reflect the evolving needs and priorities of developing countries.
- 5. Brackets [denoting no consensus] should only be used to indicate options; therefore, no other brackets should be included.
- 6. The NCQG text must clearly outline what does not count as climate finance under the goal from an accounting perspective, including non-concessional loans and export credits which cannot count towards the progress on the delivery of the goal.
- 7. Resources under the NCQG must be new and additional, predictable, adequate, affordable, grant-based and concessional, enhancing fiscal space without creating fiscal constraints, non-debt-inducive.
- 8. There cannot be any conditions for finance access, and all elements of the goal must respect countries' sovereignty.

- 9. Dis-enablers of finance often exacerbated by and within developed countries including through an asymmetric international financial architecture must be addressed to enable access to quality and concessional climate finance and decision-making by developing countries.
- The Enhanced Transparency Framework is the basis for transparency and reporting of the NCQG and should not be renegotiated.
- 11. In addition to the NCQG, we call for developed countries to deliver the arrears of the \$100 billion commitment to developing countries.
- 12. The NCQG must accurately reflect the establishment of operational features to give full effect to Articles 9.4 and 9.9 of the Paris Agreement in line with the needs and priorities of developing countries.'

Co-Chair Fakir stated that the first iteration of the draft decision text would be produced the next day (13 November) and would reflect the views heard from Parties and any written inputs received. It is learnt that the first iteration (not public) ballooned into a bulky 34-page document.

At the first informal consultations on 13 November, in response to the first iteration of the text, the **G77 and China** said it was 'willing to work based on the compilation' and requested the Co-Chairs to streamline the text and cluster it to make it easier to deal with. In doing so, it said, the Co-Chairs 'should not remove or add any new ideas from their side'. It said it needed the streamlined text ready by the following morning. The suggestion for streamlining was supported by developed countries.

The Co-Chairs' streamlined version (not public) of the first iteration of the draft decision text was released later in the night; it is learnt that the text was reduced by only one page.

At the second informal consultations on 14 November, Co-Chair Fakir explained their work of streamlining the text as per the mandate given by Parties and sought guidance on how to move forward in the two days remaining, given that the work needed to be concluded by the morning of 16 November.

The **G77** and China thanked the Co-Chairs for their work and recognised that 'there is more work to be done'. It requested that they 'produce a synthesised text by holding consultations with all groups, including the G77 and China, and allowing written inputs by 8 a.m. (15 November) on how to synthesise the text and clarification of positions

of groups'. It said 'the text must be a balanced and fair playing field to allow us to negotiate effectively in this process. We ask all Parties to not discuss the substance of the texts at this stage and to allow Co-Chairs to engage in consultations and to review written inputs with clarification on how to synthesise and on positions'.

Developed countries, namely, the United Kingdom, Canada, Norway, New Zealand, the European Union and the Environmental Integrity Group however pushed for the need to engage 'informally' and make progress on substance, at least on areas of 'convergence and commonalities' such as 'access' and 'transparency', whilst the Co-Chairs further streamlined the text.

In response, the **G77 and China** requested the Co-Chairs to 'proceed with the synthesis' of the text and said it was 'willing to engage on some areas – transparency, access, enablers and dis-enablers – as had been clustered in the text'. It also requested to move other finance agenda items (19 in all) to the following week in order to allow sufficient time to deal with the NCQG. Further, it requested the mode of work to be in 'informal-informal' format (among Parties only, with text on the screen).

It is learnt that the inf-inf work carried out on 14–15 November while waiting for the next iteration of the Co-Chairs' streamlined text covered 'transparency' and 'access', but resulted in no agreed conclusions for any concrete textual proposals requested by the Co-Chairs, with the developed countries not demonstrating constructiveness to make progress.

In the night of 15 November, the third informal consultations were held where Co-Chair Gilbert presented the next iteration (not public, but reported to be 25 pages long) of the Co-Chairs' streamlining of the first iteration of the draft decision text, and encouraged Parties to continue to engage with each other to move the text forward. Sources said that work in inf-inf format continued late into the night and resumed for some time in the morning of 16 November; however, no agreement was reached.

At the scheduled closing contact group at 10 a.m. on 16 November, Co-Chair Fakir expressed deep disappointment about the absence of textual

proposals from Parties, stating that the Co-Chairs had reached a 'saturation point' and were unable to further streamline the text. He said that the current streamlined version of the first iteration of the text (released on 15 November night) would be transmitted to the COP 29 Presidency unless Parties worked further and came back with 'streamlined textual proposals that can be inserted into the document'.

Saudi Arabia, for the Arab Group, in response to the text, stated that not all proposals as contained in the joint submission made by the Arab Group and the Like-Minded Developing Countries (LMDC) had been fully reflected, with some paragraphs dropped. It requested reinsertion of their inputs into the text, to which Fakir gave an assurance of inclusion but not insertion of new inputs.

Both developing and developed countries expressed interest in working further, and the COP 29 Presidency thus extended the deadline to 5 p.m. However, the inf-inf work was in vain. According to sources, the discussions were focused on the issue of 'access' but the work done was not eventually agreed to.

Finally, the 25-page second streamlined iteration of the draft decision text (not public) in 'brackets' (not agreed), incorporating the reinserted inputs from the joint submission made by the Arab Group and the LMDC, along with the outcome of the inf-inf consultation on 'access', was transmitted to the COP 29 Presidency.

In a <u>communication update</u> issued past midnight on 17 November, the COP 29 President Mukhtar Babayev announced that immediately after the 18 November plenary of the governing bodies, he will 'initiate ministerial work on the most critical political issues' and will 'invite the pairs of ministers' that he has previously announced to 'lead consultations on the issues deemed to require political attention, to make progress and facilitate compromise on outstanding issues'. The ministerial pair on the NCQG are Yasmine Fouad (Egypt) and Chris Bowen (Australia).

The final stretch of the negotiations is expected to be quite contentious, and whether and what the NCQG outcome will be is expected to be closely watched.

## TWN

### Baku Climate News Update

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#### No consensus on just transition draft text due to imbalances

Baku, 18 November (Hilary Kung) – The UNFCCC's Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA) did not conclude the consideration relating to the UAE just transition work programme (JTWP) and agreed to forward this matter to week 2 for further consideration at the 6th session of the Conference of the Parties to the Paris Agreement (CMA 6).

There is no draft text transmitted for further consideration at CMA 6.

During the contact group on 16 November morning, the G77 and China, the African Group (AGN) and the Like-Minded Developing Countries (LMDC) had called for a more balanced text that reflected their views. It was learnt that the G77 and China, AGN and LMDC submitted their views on the draft decision text on the JTWP prior to the start of the SB session here in Baku but these views were not reflected in the draft text proposed by the Co-Chairs, Georg Borsting (Norway) and Kishan Kumarsingh (Trinidad and Tobago).

In the final session of the contact group, the LMDC and several other countries from the Arab Group said they could not agree to forward the Co-Chairs' draft text as the basis for further negotiations as it was not a balanced text without reflecting their views.

In Baku, the main contentious issue in the JTWP is whether developing countries can successfully clinch an actionable workplan bolstered by means of implementation and international cooperation which would meaningfully support them in their just transitions. (See background information from Update No. 1 and a previous TWN update from the Bonn meeting in June.)

India in the informal consultations during the first week stressed that 'an exclusive focus on mitigation ignores crucial dimensions of resilience building and the need to address adaptation concerns'. In response to developed countries, it noted that 'colleagues have said it is important to highlight the temperature goals of the PA. It is important to remember that this is a global goal and achieving it in a just manner requires the consideration of global justice. This is fundamental. Our ability to deliver justice domestically is severely curtailed by the denial of global equity'. (See further details below.)

On 'response measures', the SBs also did not conclude the consideration of matters relating to the forum on the impact of the implementation of response measures, and agreed to forward the matter to the following week [under the COP, CMP (Conference of the Parties to the Kyoto Protocol) and the CMA] for further guidance, taking into account the draft text prepared by the cofacilitators. The main focus for the forum in Baku is to develop and recommend a five-year workplan (2026–30) for consideration and adoption.

#### JTWP - call for a more balanced text

During the contact group in the morning of 16 November, SBI Chair Nabeel Munir (Pakistan) and SBSTA Chair Harry Vreuls (Netherlands) entered the meeting room to provide guidance on the G77 and China's request for more time to move into an informal-informal format to find bridging proposals, as many Parties expressed interest in doing so.

(The Co-Chairs had earlier informed Parties that there would be a hard stop at 12 p.m. as the

SBI and SBSTA closing plenary was planned for 5 p.m. on that day. The closing plenary eventually convened only at around 10 p.m. due to intense discussions in various negotiating tracks.)

The SB Chairs then agreed to give more time for Parties to continue in the room until 1 p.m. to work on an agreed text to be forwarded to CMA 6. The **G77 and China** also called for a more balanced text so that views it and its subgroups submitted could be reflected in the text before they moved into an informal-informal setting. To this, the SBI Chair responded that he would leave it to the Co-Chairs on how to enable Parties to work towards an agreed text in the remaining hours.

**Bolivia**, on behalf of the **LMDC**, reiterated the call for a balanced text and said that it would only be able to start engaging on the text once it incorporated its earlier submission, by just copypasting it as additional options in the draft text as a basis for negotiation.

Both the requests were not entertained by the Co-Chairs, who responded by saying 'we have now moved into informal-informal' and were seen leaving the room while Bolivia was still speaking. (The informal-informal format is for Parties to discuss among themselves to find bridging proposals.)

When the informal consultations resumed at 1 p.m., there was no agreed text from the informal-informal session to be forwarded to CMA 6.

Bolivia, for the LMDC, reiterated its willingness to engage constructively but said it was only able to move forward with a text that included all the views submitted by Parties as a basis for negotiations. It then read out its entire submission to put it on record. Some of the proposals included: having experts from Parties to participate (as speakers) in future dialogues (since governments had hands-on experience in just transitions); having a workplan; and a call for the prioritisation of public financing over private investment mechanisms to ensure long-term stability, avoiding speculative markets that jeopardise national just transition pathways in developing countries.

**Saudi Arabia** explained that 'The premise of moving forward with a text is ensuring that we have a text that encompasses all of our views, which we have stated clearly and submitted in writing as well. This is not the case at the moment.'

It then reiterated what points it expected to be in the draft before it could accept the text being forwarded to CMA 6. Commenting on the draft text, it said, 'This is the JTWP and yet the text risks perpetuating unjust pathways ... In the context of

this proposed text, we are not in a position to accept a text to be forwarded to the next session before it explicitly reflects our proposed elements within it.' It reiterated that the JTWP 'has its own mandate and agreed elements. It is not a mechanism for the global stocktake (GST) implementation or follow-up. We can't accept any draft text with references outside the mandate that we have agreed on in COP 28'.

Saudi Arabia also highlighted its position that equity drove just transitions, calling for the following paragraphs to be reflected in the text:

- 'Expresses concern that the carbon budget consistent with achieving the PA temperature goal is now small and being rapidly depleted and acknowledges that historical cumulative net carbon dioxide emissions already account for about four fifths of the total carbon budget for a 50 per cent probability of limiting global warming to 1.5°C';
- 'Notes with concern the pre-2020 gaps in both mitigation ambition and implementation by developed country Parties and that the Intergovernmental Panel on Climate Change had earlier indicated that developed countries must reduce emissions by 25–40 per cent below 1990 levels by 2020, which was not achieved';
- 'Emphasizes the inherent connection between the depletion of the total carbon budget consistent with achieving the PA temperature goal based on historical cumulative emissions, including as a result of pre-2020 gaps in developed country mitigation ambition and implementation, and developing countries pursuing just transition pathways';
- 'Expresses concern that the projected level of emissions reported by Annex I Parties in their fifth biennial reports under the "with measures" scenario does not show any significant decrease between 2020 and 2030, noting that reported policies and measures may not be sufficient to meet the goals of the PA, with total emissions projected to increase by 0.5 per cent between 2020 and 2030, suggesting the actions are not sufficient to completely offset the impact of emission drivers or reduce emissions, impacting just transition pathways'.

It also rejected the text on 'recognizing the socioeconomic opportunities associated with transitioning away from fossil fuels', saying that it had never been discussed within the room.

The Saudi and LMDC interventions were supported by **Iran**, **Qatar**, **Oman** and **Kuwait**.

Kenya, on behalf of the AGN, said that its proposal was also not reflected in the text. It then sought 'assurances that its proposal will be captured and considered next week. If this can be done, the AGN can work with others'.

Some other developing countries like the Alliance of Small Island States (AOSIS), Nepal, the Least Developed Countries (LDCs) and Group SUR, while expressing some concerns with the text, were agreeable to transmission of the draft to CMA 6 for further work.

This was echoed by developed countries including Canada, New Zealand, the UK, the EU, the Environmental Integrity Group (EIG) and the US.

**Switzerland**, for the **EIG**, said the text was a good text but missed any reference to the private sector and enterprises, for example in paragraph 17 which stated, 'Underscores the multisectoral and multidimensional nature of just transitions and the resultant need for whole-of-economy approaches and recognizes that this includes significant socioeconomic opportunities associated with transitioning away from fossil fuels in energy systems'.

India, in its intervention reacting to the earlier draft text during the contact group on 12 November, reminded Parties that 'There should be no renegotiation of the decision we agreed to in Dubai, in terms of what we understand as the elements of the JTWP. We worked very hard in Dubai to bridge our diverse understanding and arrive at a shared view of the elements important in the consideration of just transitions'. It recognised that just transitions for the workforce were important, 'but one must remember that in developing countries, there are not just the challenge of reskilling and diversification ... but also the challenges of providing basic amenities to workers and communities – schools, hospitals, infrastructure - in effect the achievement of sustainable development is crucial even and in fact especially for workers'.

'An exclusive focus on mitigation (which some colleagues have termed "sustainable activities") ignores crucial dimensions of resilience building and the need to address adaptation concerns. Colleagues have said it is important to highlight the temperature goals of the PA. It is important to remember that this is a global goal. And achieving it in a just manner requires the consideration of global justice. This is fundamental. Our ability to

deliver justice domestically is severely curtailed by the denial of global equity,' said India further.

Reacting to the proposal to link the JTWP to implementing the mitigation outcomes of the GST, India reminded Parties that 'It is also important to remember that the GST relevant to mitigation would also include:

- discussions on finance;
- discussion on pre-2020 gaps in implementation;
- an emphasis on meeting the goals of the PA on the basis of equity and common but differentiated responsibilities & respective capabilities (CBDR-RC).'

'We have not heard any appetite to discuss these issues from colleagues. Why do we need climate action and in fact climate ambition from even the poorest regions of the world today?' asked India.

Elaborating further, it said, 'The crux of this is the inaction of those who are supposed to take the lead, and the refusal to undertake deep, rapid and sustained reductions in emissions in regions with the highest capacity to do so. Any discussion that combines mitigation-relevant lessons with principles of justice must foreground this key question. We have heard that climate action is at the core of sustainable development and poverty eradication. We would say that it is in fact the other way around. It is sustainable development and poverty eradication that will enable climate action. After all, there are countries and regions that have achieved high levels of development without any climate action.'

India concluded that developing countries would be unable to both achieve their climate ambitions and ensure that no one was left behind at the same time, unless there was recognition of the importance of sustainable development as a fundamental basis for just transitions. 'The dialogues that will be held in 2025 should include these core concerns of developing countries,' it stressed.

#### Response measures

The SB did not conclude consideration of the matters relating to the forum on the impact of the implementation of response measures, and agreed to forward the matter to the following week (under the COP, CMP and CMA process) for further guidance, and also take into account the <u>draft text</u> prepared by the Co-Chairs Xolisa Ngwadla (Botswana) and Magnús Sigurðsson (Iceland).

The negotiations in Baku indeed saw another protracted fight by developing countries for the inclusion of a new activity in the five-year workplan to analyse, assess and report on the negative impacts of unilateral measures such as carbon border adjustment mechanisms (CBAM). This had always been rejected by developed countries.

After much wrangling, this was now included in activity No. 6 of the draft text, with stronger language on unilateral measures that constitute a means of arbitrary or unjustifiable discrimination compared with the earlier version of the text. The activity read, 'Analyse, assess and report on the impacts of measures taken to combat climate change, including unilateral measures that constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, on Parties with economies most affected by the impacts of response measures, particularly developing country Parties.'

Further details on the mode of work in week 2 will be announced by the COP President during the plenaries on 18 November. It remains to be seen whether this activity will be included in the final version of the workplan.

# TWN

## Baku Climate News Update 10

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#### Draft texts on Article 6 forwarded to CMA 6

Baku, 18 November (Hilary Kung) – The Subsidiary Body for Scientific and Technological Advice (SBSTA) concluded the consideration of both Article 6.2 and Article 6.4 of the Paris Agreement (PA) with procedural conclusions to forward draft texts to week 2 for further guidance and adoption at the 6th session of the Conference of the Parties to the PA (CMA 6) in Baku. The SBSTA concluded its work on 16 November.

The SBSTA agreed to transmit clean draft texts (without brackets or options) while noting that 'the draft text being forwarded is not agreed by Parties as it does not represent consensus among Parties'.

Article 6 of the PA deals with what is referred to as 'cooperative implementation' among Parties, involving the use of carbon market approaches (Articles 6.2 and 6.4) and non-market approaches (Article 6.8) in the implementation of their nationally determined contributions (NDCs).

In a communication issued to Parties on 16 November, the COP 29 President had 'invited pairs of Ministers to lead consultation on the issues deemed to require political attention, to make progress and facilitate compromise on outstanding issues'. The ministerial pairing for Article 6 comprises Grace Fu Hai Yien (Singapore) and Simon Watts (New Zealand). Further details on the mode of work will be announced by the President at the plenaries on 18 November.

#### Article 6.2

The SBSTA adopted a simple <u>procedural</u> <u>conclusion</u> that agreed to recommend to the CMA to consider the <u>draft text</u> on the UNFCCC website.

During the information consultation on 14 November, the co-facilitators, Maria Jishi (Saudi

Arabia) and Peer Stiansen (Norway), said they were given the mandate by the SBSTA Chair Harry Vreuls to produce a draft text for him to consider and then to present at the heads-of-delegation (HoDs) level. The draft text (without brackets and options) was produced on 15 November and the HoDs meeting on Article 6 was convened on the same day by the SBSTA Chair.

During the final informal consultations for Article 6.2 on 16 November, the co-facilitators informed Parties about the outcome of the SBSTA Chair's and HoDs meeting, stating that the draft text produced was now the SBSTA Chair's text. However, many Parties expressed concern with the mode of work and called for including all the options in the text, which indicated that there were still many areas of divergence. The African Group and the Like-Minded Developing Countries (LMDC) also noted that some of the new text came from 'one submission that has not been socialised with other Parties'.

Compared with the earlier version forwarded from Bonn, the draft text includes a whole new Section II containing 10 paragraphs on further guidance on initial reports. One of the new additions in this section is for Parties to provide information in the initial reports on whether the '[Article 6] cooperative approach involves a baseline-and-credit approach or a cap-and-trade system, and in the case of a cap-and-trade system, a description of the methodology for determining the mitigation outcomes resulting from that system'.

The other contentious issue centres on 'change to the authorisation', i.e., whether changes to authorisation are allowed and, if so, under what conditions. Some developing countries prefer the flexibility to be able to change the authorisation while developed countries are strongly against

such changes on the grounds that they would undermine market confidence. The draft text that will be forwarded to the CMA for consideration reads as follows:

'16. Decides that any changes to an authorization of the use of internationally transferred mitigation outcomes from a cooperative approach and/or revocations of an authorization shall not apply to, or affect, mitigation outcomes that have already been first transferred, unless the Parties participating in the cooperative approach have agreed applicable terms and provisions in the authorization that specify the circumstances for such changes and the process for managing them;

'17. Also decides that participating Parties shall make the terms and provisions for changes in the authorization of the use of internationally transferred mitigation outcomes publicly available, ensure that resulting changes and revocations are consistent with decision 2.CMA/3, annex, paragraph 21(e), and ensure that any changes to an authorization of the use of internationally transferred mitigation outcomes from a cooperative approach do not lead to double counting'.

Some of the other contentious issues are on the form, functions, processes and additional functionality of the international registry (for internationally transferred mitigation outcomes).

#### Article 6.4

The SBSTA also adopted a simple procedural conclusion for Article 6.4 and agreed to recommend to the CMA to consider the draft text on the UNFCCC website. The informal consultations were co-facilitated by Kate Hancock (Australia) and Sonam Tashi (Bhutan). The draft text contains a much shorter list with two issues (authorisation and mechanism registry) compared with the previous version.

A contact group under the CMA had been convened on 13 November for Parties to express views on what they would like to see in the draft decision.

During the first day of the CMA on 11 November, a decision on Article 6.4 had been gavelled, where the President reassured Parties that the contact group would be convened (due to concerns raised that the decision was adopted without the convening of the contact group) to provide further guidance to the Article 6.4 Supervisory Body Mechanism (SBM) and take any further actions deemed appropriate. (For

background information, please see Updates 1 and 2.)

There was another <u>draft text</u> produced after the contact group under the CMA covering the operation of the mechanism, further guidance on the mechanism methodologies that were adopted by the SBM, and gavelled on authorisation, mechanism registry, share of proceeds for adaptation and transition of the Clean Development Mechanism activities.

At the contact group, the **Coalition for Rainforest Nations** (CfRN) made a strong intervention with regard to the SBM's adoption of the mechanism methodologies, calling it a 'horrible precedent'. It said the mandate was to elaborate and forward for adoption at the CMA but instead, the methodologies were adopted and made effective immediately (by the SBM), adding that the SBM used the term 'standard' for methodologies, usually a term applied to rules and procedure. This, it said, had 'broken the trust of the mandate. We gave mandate to 12 people to represent all Parties, [and] this trust has been lost. We should send clear signals that this should not be repeated'.

However, other Parties including Australia, the United States, the United Kingdom, Norway, Japan, the European Union and the LMDC lent support to the work of the SBM.

#### Article 6.8

The SBSTA <u>concluded</u> work on Article 6.8 on 'non-market approaches' (NMA) and recommended a <u>draft decision</u> for consideration and adoption by CMA 6.

In Baku, the Glasgow Committee on Nonmarket Approaches, presided over by Jacqui Ruesga (New Zealand) and Kristin Qui (Trinidad and Tobago), conducted an expedited and simple assessment of the progress and outcomes of the first phase (2023–24) of implementing Article 6.8, which recognised that the 'NMA platform was only recently launched, [and that] no non-market approaches have yet been recorded by Parties'. The draft decision also acknowledged that 'as at 15 November 2024, 79 Parties had notified the secretariat of their national focal points', and invited more Parties to do so to enable access to the NMA platform.

One of the key divergences in the room was over the LMDC's proposal, championed by Bolivia, on the recognition of 'Mother Earth centric actions' and the link between biodiversity

conservation and climate change efforts in the second phase of the work programme (2025–26).

The final text in the draft decision reads as follows: 'Recognizes the importance of developing and implementing integrated, holistic and balanced non-market approaches, which may include joint mitigation and adaptation approaches for implementation under the framework for non-market approaches, which can link addressing climate change to biodiversity conservation and sustainable development, considering the benefits that may arise from such approaches, including "Mother Earth Centric Actions" as recognized by some cultures, the benefits of which include, but

are not limited to: (a) Ensuring the integrity of all ecosystems and the conservation of biodiversity when addressing climate change; (b) Enhancing different value systems, including for living in balance and harmony with Mother Earth, as recognized by some cultures, in the context of addressing climate change.'

It was learnt that Bolivia had also proposed an expert meeting and a technical paper on 'Mother Earth centric actions' and their potential to jointly address climate change, biodiversity and sustainable development, to inform COP 30 of the UNFCCC and COP 17 of the Convention on Biological Diversity. This proposal was dropped from the draft text.

## TWN

## Baku Climate News Update 11

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#### Meeting in a 'single setting' convened to consider package of texts

Baku, 21 November (Radhika Chatterjee, Meena Raman and Hilary Kung) — On the penultimate day of the Baku climate talks, Parties will meet in a 'single setting' to consider a 'package of texts' to find bridging proposals, with a second iteration of texts produced if needed. This was conveyed to Parties at a stocktake of the process convened by the COP 29 President on 21 November.

TWN has learnt that Parties were informed by the COP 29 President that the single-setting meeting will be convened from 12 p.m. to 3 p.m. on 21 November, 'designed to engage Parties in constructive dialogue with a view to finding solutions and reaching compromise on the critical issues to ensure successful outcomes at COP 29'. It is learnt that a 'quota system' has been put in place 'which will be managed by Group Chairs and Coordinators' of Parties, with a certain number of seats at the table and further seats behind.

#### Stocktaking plenary

The mode of work to be adopted was made known to Parties at a 'stocktaking plenary' convened by the COP 29 Presidency to provide an update on progress made across all items. The session was conducted by COP 29 President Mukhtar Babayev (the Deputy Foreign Minister of Azerbaijan) and Yalchin Rafiyev (the lead negotiator of the COP 29 Presidency team).

Rafiyev laid out the way forward regarding the mode of work for many key issues that Parties have been negotiating on since the start of the Baku climate talks, which began on 11 November and are expected to end on 22 November.

[Since the beginning of this week, technical consultations continued on a range of issues like the new collective quantified goal (NCQG) on

finance, the mitigation work programme (MWP), the just transition work programme (JTWP), issues of Article 6 of the Paris Agreement (PA), the UAE dialogue (on paragraph 97 of the global stocktake decision), the global goal on adaptation (GGA) and national adaptation plans (NAPs).]

Rafiyev said that technical work on the UAE dialogue had been concluded and would now be taken forward through political guidance. In addition to technical consultations, work on key issues like finance, mitigation, Article 6 of the PA and adaptation has been proceeding under the guidance of pairs of ministers at the political level. On the NCQG, the Presidency also invited a representative from Georgia to facilitate consultations between heads of delegation (HODs) of all groups and Parties on qualitative aspects of the NCQG, including issues of access, transparency and dis-enablers of climate finance.

All ministerial pairs were instructed by the Presidency to conclude work by 5 p.m. on 20 November and draft texts, including on the NCQG, were expected to be released in the early hours of 21 November. Rafiyev said that after the draft texts were issued, Parties would be given sufficient time to review them, and a meeting would then be conveyed 'in a single setting' to consider the 'package of texts' and to develop further bridging proposals, which may undergo a further 'second iteration' if required.

Parties were informed that the ministers from Brazil and the United Kingdom, who were asked to support in delivering a high-ambition package deal, would also begin their consultations on 20 November.

At the stocktake plenary, the various ministerial pairs provided updates to Parties.

NCQG

Ministers Yasmine Fouad (Egypt) and Chris Bowen (Australia) reported that though divergences still remained on the structure of the NCQG (whether it is to be a single goal or a multilayered approach including investment, provision and mobilisation), all Parties had expressed a wish to see a quantum for the goal to be mobilised. It was also mentioned that as the bigger picture, 'broader finance' had a role to play to mobilise in the 'scale of trillions' from all sources.

On the contributor base (who should contribute to the goal), they shared that there was agreement among Parties that the objective of the talks was not to reopen Article 9 of the PA nor to renegotiate it. They also shared that some Parties had suggested that there was no 'change in [their] development status [as to whether they were developing countries or not]' or '[their] ability to receive finance'.

On the issue of quantum, they mentioned a figure of mobilising \$1.3 trillion but also said that Parties had put forward different proposals on elements related to what was to be 'provided' versus 'mobilised'. Three proposals had also been shared for the provision of the quantum: \$900 billion, \$600 billion and \$400 billion. Some mentioned \$100 billion with linkages to contributors and all sources. Many Parties mentioned that whatever figure finally decided should be 'ambitious and realistic'. They said that some Parties had also said they wanted to see some building blocks provided and mobilised under one quantum and not separate targets. For the \$100 billion goal, some Parties had said that the goal would be met from a wide range of sources. It was in this context where resolving the issue of contributor base was an important part of the conversation, they added.

On the issue of specific allocations, the ministers reported that some Parties had said they could not accept this because of concerns on regional balance. The ministers said there had been a strong focus on the need for concessional and grant-based finance, and that some Parties had also mentioned the need for ensuring grant equivalency in the funding, but for others the issue of grant equivalency was a 'red line'. They also said that many Parties had focused on policies. Some proposed burden sharing while others said that this was a red line.

#### Mitigation

The update on mitigation was provided by ministers Tore Onshuus Sandvik (Norway) and Dion Travers George (South Africa). They shared that mitigation-related issues had been discussed in two formats: the high-level ministerial roundtable on pre-2030 mitigation ambition, and in two sessions of informal consultations. In the high-level ministerial, Parties and groups shared their views on what could constitute a mitigation outcome at COP 29, the political messages they would like to be reflected in the Baku outcome, and whether this should be in the MWP or in some 'other home'.

The ministers said that Parties shared with 'greater clarity' about what a successful mitigation outcome would look like. They added that all Parties confirmed their commitment to the Dubai Consensus that was reached last year at COP 28 and expressed their commitment to submitting ambitious nationally determined contributions (NDCs) in 2025.

#### Adaptation

The update on matters relating to adaptation was provided by ministers Eamon Ryan (Ireland) and Franz Tattenbach (Costa Rica). They reported broad consensus on the issue of elevating the urgency of adaptation and the need for providing support. The insufficient quantity and scope of adaptation finance was mentioned. They said that the need for the GGA to fulfil its purpose in the PA was also stressed. Gaps in implementation of adaptation finance and the need for providing means of implementation (MOI) towards adaptation were highlighted. They said further that discussion hinged on the issue of MOI in finance and support versus those that questioned the relevance of tracking finance, among other things.

The ministers also shared that there was a need for advancing work towards measures and targets that were being developed under the UAE-Belem work programme for climate resilience (on developing the GGA's indicators), including paragraph 38 of the GGA outcome from Dubai. They added that there was disagreement regarding the definition and applicability of 'transformational adaptation', which could be resolved at the technical level. The ministers also said that there was a need for adaptation and finance colleagues to work together to 'find a place for landing'.

#### Article 6 of the PA

Ministers Grace Fu Hai Yien (Singapore) and Simon Watts (New Zealand) provided the update on negotiations relating to Article 6. On the issue of registries, they recognised there was a divide in the room. They shared that while a majority of Parties could live without Article 6.2 of the PA having an 'issuance function', groups and Parties were divided on whether the registry should be able to transfer and hold units, and whether the registry should serve as a purely accounting registry or transaction registry. As per their preliminary assessment, the ministers shared that a 'potential landing' could be explored in a 'dual-layer registry system' where the accounting layer could track internationally transferred mitigation outcomes (ITMOs) 'with pull and view functionality'. Further, they said the UNFCCC secretariat could provide an 'optional service' as an extension outside the international registry that provides Parties with the 'issuance function'. The ministers said further that they would invite views from Parties on the most critical issues of Article

Soon after the Presidency laid out the mode of work for the remaining days, **Bolivia**, for the **Like-Minded Developing Countries (LMDC)**, expressed concerns about the pace of the negotiations: 'We find negotiations on adaptation totally deadlocked, no negotiations were convened on just transition, and there is a steadily receding hope of getting an ambitious NCQG. Instead, all we hear is mitigation, mitigation and mitigation.' The mitigation and GST items were being treated with a lot of 'care', it remarked.

Saying that 'the process is totally imbalanced at the moment', with the 'interests of some getting prioritised', Bolivia urged the COP 29 President to 'restore balance in the process'. It added that 'it is quite unfortunate that the developing countries' foremost need of adaptation is not even being considered and the paragraphs on MOI are being bracketed by our partners'. While the GST called on Parties to have their national adaptation plans, policies and planning processes by 2025, only 58 developing countries had formulated NAPs so far, Bolivia noted, asking how developing countries were going to achieve this goal if the MOI provisions continued to be bracketed.

Bolivia said further that 'we are also not seeing any signals for mitigation action in developed countries ... For any serious action to reach the 1.5°C goal, we need the developed countries to go

carbon-neutral by 2030 and net negative thereafter, instead of increasing their emissions further. But in the mitigation room, it is only about imposing paragraph 28 of the GST [on global mitigation efforts] on developing countries, thereby shifting the responsibility to developing countries'.

Following the LMDC intervention, the stocktake plenary ended, with Parties working in a frenzy to finalise texts.

Below are highlights from the high-level ministerial roundtable on mitigation and also updates on what transpired at the informal consultations on the MWP and the UAE dialogue on the GST outcome.

#### High-level ministerial roundtable on mitigation

In the high-level ministerial roundtable on mitigation that was held on 18 November, several developing countries expressed disappointment about the failure of developed countries to deliver on their pre-2020 mitigation targets, and highlighted the importance of provision of finance from developed to developing countries.

The LMDC, Group SUR (Brazil, Ecuador, Paraguay and Uruguay), the African Group, India and China stressed the need for developed countries to take the lead in implementing ambitious mitigation action and respecting the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC). China asked developed countries to achieve net-zero emissions by 2035 and highlighted the importance of accelerating and reforming processes of technology development and transfer under the UNFCCC. India stressed the need for removing barriers related to intellectual property rights in order to facilitate transfer of technology required for implementing ambitious mitigation actions in developing countries. Egypt expressed similar sentiments.

The **Least Developed Countries (LDCs)** asked for raising mitigation ambition and stressed the importance of finance in enabling developing countries to implement mitigation actions.

Developed countries stressed on the importance of keeping 1.5°C within reach and on the need to implement mitigation-related aspects of the GST outcome. They highlighted in particular the goals of tripling renewable energy, doubling energy efficiency and transitioning away from fossil fuels, and asked for a follow-up of the mitigation aspects of the GST outcome through the MWP. The **European Union**, the **United** 

**Kingdom**, **Japan** and **Canada** emphasised the need for undertaking economy-wide absolute emission reduction targets. **Germany** also stressed on the need for phasing out existing unabated coal use.

The Alliance of Small Island States (AOSIS) and the Independent Alliance of Latin America and the Caribbean (AILAC) also stressed the need for keeping 1.5°C within reach and for ambitious mitigation action, and highlighted the key mitigation targets of the GST outcome as detailed in paragraph 28.

#### Informal consultations

#### **MWP**

In the two sessions of the informal consultations held on the MWP on 19 November and conducted by co-facilitators Ursula Fuentes (Germany) and Maesela Kekana (South Africa), developing and developed country groups voiced positions similar to what they had shared the previous week (see Update 4).

Several developing countries including the LMDC, the African Group and the Arab Group stressed that the MWP should not be used to impose any targets on countries, as the objective of the programme was to facilitate dialogues and exchange views to provide an opportunity for Parties to share experiences and learn from each other. They also highlighted the need for making improvements to the global dialogues and investment-focused events organised under the MWP. These groups along with Group SUR emphasised the importance of MOI in scaling up mitigation ambition. They said the purpose of the MWP was to inform the current implementation of mitigation actions and not future NDCs. They further argued that any kind of imposition of new mitigation targets on developing countries through the inclusion of key messages would go beyond the MWP mandate and add a burden on developing countries.

Developed countries and some developing countries especially **AOSIS** and the **LDCs**, on the other hand, insisted on having 'strong outcomes' from the MWP by scaling up mitigation ambition and keeping in mind the 'urgency' of the situation. This, they said, was to be done through the insertion of key messages under the MWP. Some of the key elements they emphasised for these messages were: having mitigation action aligned with the 1.5°C goal; creating a strong linkage between

the MWP and the GST according to paragraph 186 of the GST outcome document; scaling up mitigation action in line with paragraph 28 of the GST decision; and using the MWP to inform the process of updating NDCs.

#### UAE dialogue

At the informal consultations on the UAE dialogue co-facilitated by Ricardo Marshall (Barbados) and Patrick Spicer (Canada) in the second week of the climate talks, Parties provided their views on the informal note that had been transmitted in the previous week from the Subsidiary Bodies to CMA 6, which later led to another iteration of the text that was published on 19 November. Political guidance is now awaited for further progress on the scope of the dialogue, i.e., whether it is confined to the finance-related matters of the GST outcome or if it relates to all the GST outcomes.

The LMDC stressed the need for tracking finance delivery of the NCQG along the lines of timelines and outcomes of the PA. The African Group said it did not want to replicate the GST and that the scope of the dialogue had already been decided in Dubai – an implicit reference to the fact that the mandate of the dialogue was placed in the finance section of the GST outcome. India, China and Egypt aligned themselves with the LMDC position. Group SUR said form should follow function and that there was a need to respect the original mandate for creating the dialogue, which was in the finance section of the GST outcome. AILAC and the LDCs said the dialogue needed to focus on the implementation of all outcomes of the GST, with a particular focus on finance, capacity building and technology.

Developed countries like the **United States**, the **EU**, **Canada** and **Norway** on the other hand expressed the need for a wider scope in the work of the dialogue such that it focused on all aspects of the GST outcome.

In relation to the latest iteration of the text, developing country groups and Parties like the LMDC, African Group, India, China and Iraq maintained their preference for having finance as the scope of the dialogue, as reflected in option 1 of the text, the key part of which reads: 'Agrees that the United Arab Emirates dialogue on implementing the global stocktake outcomes will focus on financial support from developed countries to developing countries for implementing nationally determined contributions and national

adaptation plans and on tracking progress in the delivery of the new collective quantified goal on climate finance.'

Some developing countries like AILAC and the LDCs shared that their preferred option for the scope was reflected in option 3, but said that the way in which it was detailed did not properly reflect all the elements, suggesting refinements to the option. South Korea, for the Environmental Integrity Group, also supported option 3, adding that the dialogue 'cannot replace the tracking of the NCQG'.

The key part of option 3 reads: 'Agrees that the United Arab Emirates dialogue on implementing the global stocktake outcomes will facilitate comprehensive consideration of collective progress in implementing the outcome of the first global stocktake with a focus on the provision of finance, as well as capacity-building and technology transfer.'

Among developed countries, the **EU** and the **US** said they preferred option 2, the key part of which reads: 'Agrees that the United Arab Emirates dialogue on implementing the global stocktake outcomes will facilitate comprehensive consideration of collective progress in implementing

the outcomes of the first global stocktake with a focus on the outcomes not covered by existing mandates or activities of constituted bodies and work programmes under the Convention and the Paris Agreement;

'Decides that the United Arab Emirates dialogue will include consideration of opportunities to enhance collective progress in implementing the outcomes of the first global stocktake, steps taken in implementing the outcomes domestically and globally, barriers to implementing the outcomes, including barriers relating to means of implementation and support, and further decisions needed to implement the outcomes.'

The US also said that paragraph 15 of the text was a 'complete red line' which 'has to be struck or we will not move forward with that text'. Paragraph 15 reads as follows: 'Decides that the summary reports referred to in paragraph 14 above will inform the second global stocktake. Option 1: and the revision of the NCQG on climate finance at CMA 11 (2029); Option 2: No text.'

With many contentious issues remaining, how the final gavel comes down will indeed be eagerly awaited, especially whether the 'finance COP' will deliver an ambitious outcome on the new climate finance goal.

# TWN Baku Climate News Update 12

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#### Poor deal on new finance goal bulldozed through at COP 29

Baku, 26 November (Radhika Chatterjee and Meena Raman) – A <u>decision</u> to adopt a new collective quantified goal on finance (NCQG) was bulldozed through at the closing plenary of COP 29, despite a lack of consensus.

This was clearly reflected in the statements made after the gavel by India, which strongly objected to the adoption of the decision and criticised the process as being 'stage-managed' by the COP 29 Presidency and the UNFCCC secretariat despite knowing that India had objections to the text. India also clearly stated that there was insufficient climate finance in the goal and that the deal was 'an optical illusion' (see further details below).

India was not alone in its objections. Other developing countries like Bolivia and Nigeria supported India's stand in objecting to the adoption of the decision and criticised the goal as being inadequate for meeting the needs of developing countries. Cuba and Pakistan also called out the very low quantum of the goal. The Least Developed Countries (LDCs) too expressed their disappointment with the goal and placed a reservation over the decision.

The interventions of developing countries were greeted with very loud and sustained applause, especially from civil society observers and many developing country government delegates.

The European Union on the other hand welcomed the decision as 'a deal that is exceptional', saying that 'we are living in a time of truly challenging geopolitics and we should simply not have the illusion that it will soon get better'. This appeared to be a reference to the likely exit of the United States from the Paris Agreement.

The US negotiators (under the Biden administration) were seen wielding enormous

pressure in the negotiating halls to define the final outcome, with a clear stance that the US could not commit to any goal that made it mandatory for developed countries to provide finance to developing countries. They continued to maintain their obstinate position (even before the outcome of the recent US elections and indeed throughout the three years of negotiations on the matter) that the new finance goal was only a voluntary mobilisation figure which required new contributors from developing countries, the multilateral development banks (MDBs) and the private sector to come on board. This stance of the US was shared by other developed countries in the Umbrella Group as well as the EU.

While strong civil society actions called out that 'no deal is better than a bad deal', the stance of the developed countries and the 'Trump effect' lent credence to the narrative among developed and some developing countries that 'a better deal was simply not possible'.

According to many seasoned observers, the fragile multilateral system was once again saved from the brink of collapse through a poor climate finance deal that had to be secured 'by hook or by crook', as a Baku 'finance COP' with no finance deal was viewed as simply unimaginable.

The main highlight of the decision adopted was in paragraphs 7 and 8. Paragraph 7 'calls on all actors to work together to enable the scaling up of financing to developing country Parties for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035'. It was decided in paragraph 8 'to set a goal, in extension of the [USD-100-billion-per-year goal], with developed country Parties taking the lead, of at least USD 300 billion per year by 2035 for developing country Parties for climate action: (a)

From a wide variety of sources, public and private, bilateral and multilateral, including alternative sources; (b) In the context of meaningful and ambitious mitigation and adaptation action, and transparency in implementation; (c) Recognizing the voluntary intention of Parties to count all climate-related outflows from and climate-related finance mobilized by MDBs towards achievement of the goal set forth ...'.

#### **Decision bulldozed through**

The final plenary session, which was convened very early on 24 November morning, saw several pauses, during which the COP 29 Presidency's lead negotiator Yalchin Rafiyev and his team were seen consulting with different groups and country negotiators to arrive at consensus on several issues, key among which was the NCQG text. As soon as the COP 29 President Mukhtar Babayev announced that resolutions on key issues had been found, key documents were made available on the UNFCCC website by the secretariat.

Instead of a quick resumption of the session, different parts of the plenary hall saw several groups and Parties in huddles, in efforts to persuade India to allow the adoption of the finance decision. The Indian negotiators were seen taken to a smaller room in the plenary area by the Presidency's team to discuss the NCQG text further. A little while after the Indian negotiators left that room, the Presidency's team, along with the UAE COP 28 Presidency team and UNFCCC secretariat members, were seen leaving.

Soon after, Babayev gavelled the adoption of the finance decision, without once lifting his head up to see if there were any requests from any Party to take the floor. Suddenly, and to the complete shock of many, the hall descended into applause, mainly from some Parties, and the Presidency and UNFCCC secretariat teams on the podium stood up to hug and congratulate each other. A few members of the Indian delegation went up to the podium at that moment and could be seen speaking to the Presidency's team. This was followed by several countries taking the floor to share their objections and concerns regarding the decision.

According to observers, the urgency to gavel through the NCQG decision stood in stark contrast to the way in which other decisions and outcomes were adopted, where the COP President paused to see if there were countries that wished to speak prior to the gavelling of the decisions.

According to established UNFCCC process, the Presidency is expected to respect requests for the floor from Parties before gavelling any decision, to uphold the basic principle of consensus which guides decision making in the UNFCCC. However, the method of bulldozing decisions through despite a lack of consensus is not new to the UNFCCC; it happened in 2010 in Cancun, Mexico, and in 2012 in Doha, Qatar.

India, in a scathing criticism of the manner in which the finance decision was adopted, said, 'This has been an unfortunate incident and it is in continuation of several such unfortunate incidents that we have seen of not following inclusivity, [and] not respecting the positions of countries. We had informed the Presidency [and] we had informed the secretariat that we wanted to make a statement prior to any decision on the adoption. However, ... this [process] has been stage-managed and we are extremely, extremely disappointed with this incident ... Trust is the basis for all action and this incident is indicative of a lack of trust; a lack of collaboration on an issue which is a global challenge which is faced by all of us.'

This challenge, it added, was faced 'most of all by the developing countries that are not responsible for it. We are faced with one of the biggest challenges of all times. Which will determine our existence. The only thing that enables us to move beyond and undertake action in line with addressing this challenge is collaboration and trust among us. It's a fact that both have not worked today and we are extremely hurt by this action of the Presidency and the secretariat'.

Elaborating on the importance of trust, India pointed to 'the trust that there will be action by those who can take action. Developed countries have the wherewithal to take action. They should agree to advance their net-zero objectives, the goals, and become net negative soon thereafter. But there is also trust [regarding] financial resources, technology and capacity building, the means of implementation, the essence of any climate action ... that is required by the developing countries. This will enable those who want to take the action and who want to survive in this changing-climate world but are not able to do it because they need the support of the developed countries, and we seek trust in that ... we need to make concerted efforts to do this because clearly what's happened today is not any indication of this. [We need] trust that we understand each other's constraints. Trust that we will move together whatever it may be for a better future'.

India further said, 'Unfortunately the paper on the NCQG that has been proposed does not speak or reflect or inspire confidence and trust that we will come out of this grave problem of climate change ... We have worked for ... three years on this to have a mandate before us ... to set the NCQG. The goal was envisioned and decided to be set in the context of the needs and the priorities of developing countries and based on the principles of equity and common but differentiated responsibilities (CBDR). Both are fundamental to the UNFCCC and its Paris Agreement. This is the essence of our collaboration. This is the only basis for coming to a UN body where all of our countries can together discuss and arrive at solutions to address climate challenges that we all face. The developing countries are most impacted by climate change. In addition to our development priorities, we have to contend with the additional stresses and crisis of climate. The Global South is being pushed to transit to low-carbon pathways even at the cost of our growth.'

India added that 'we have to face the carbon border adjustment mechanism (CBAM) measures. There are other measures that are being imposed by developed country Parties [which] make the transition ... quite difficult ... in a very, very competitive, hostile environment that we are facing at the moment ... We are disappointed with the outcome which clearly brings out the unwillingness of the developed country Parties to fulfil their responsibilities. As we struggle to deal with climate change, the outcome proposed in the paper will further affect our ability to adapt to climate change, greatly impact our nationally determined contribution (NDC) ambitions and its implementation, and create further challenges to our resilience, and above all, will severely impact growth'.

India stressed that it 'does not accept the goal proposal in its present form. Developed countries taking the lead for a mobilisation goal of a mere sum of \$300 billion and that too to be reached only by 2035. That's almost 11 years later. And that too from a wide variety of sources; so, it would have to be private, it would have to be multilateral. And there are large amounts of it which will be left for the developing countries to mobilise themselves. The goal is too little, too distinct [and] distant. It is 2035, it's too far gone. Our 2030 estimates tell us that we need to do it at least \$1.3 trillion per year till 2030'.

The \$300 billion mobilisation goal 'does not address the needs and priorities of developing countries. It is incompatible with the principle of CBDR-respective capabilities and equity', said India. 'Regardless of our battle with impacts of climate change, it is a fact that developing countries are accused continuously of [high] emissions, forgetting the per capita emissions of the developed countries and forgetting also the historical responsibilities of the developed countries. This only adds to the problem at hand for us and the proposed goal shall not solve anything for us. In fact, we have to implement ambitious indices and economic challenges that we need to navigate and address the adaptation needs. The amounts that are proposed to be mobilised are abysmally poor. It's a paltry sum. It is not something that will enable conducive climate action that is necessary for the survival of our country and for the growth of our people, their livelihoods,' India said, adding again that 'we cannot accept it ...'.

India further said, 'We know recapitalisation of MDBs is a matter that has remained unaddressed ... In that situation, we know also that in times to come, if we participate, developing countries will be and are going to be the major contributors for financing climate action through paragraph 8c [of the decision]. Counting finance mobilisation through MDBs into the overall goal is not a progression from the \$100 billion goal, but is a deflection of the responsibility of the developed countries towards developing country shareholders of the MDBs.'

India said the decision 'is nothing more than an optical illusion. This, in our opinion, will not address the enormity of the challenge we all face ... India opposes the adoption of this document. And please take note and regard what we have just said from the floor of this room ... We are very unhappy, disappointed with the process and object to the adoption of this [decision]'.

Bolivia expressed its solidarity with India and said it supported the 'position to request the rejection of this decision'. It said that India had expressed the need to strengthen equity in the climate negotiations, defending the right of millions of people to live in dignity. 'In the context of an unfair international context, this is not possible. Climate finance, as agreed in this COP, does not meet the requirements of developing countries and it consolidates an unfair system where developed countries do not step up to their legal obligations

to provide finance and implementation measures to developing countries.'

It added that 'this process requires a high level of integrity' and said that developed countries, despite the advanced technology that they had, were ignoring the goals they needed to meet for 2050. They were ignoring the limited resources of developing countries and leaving them responsible with very limited resources for reaching goals they could not possibly reach. 'Developed countries ... are putting pressure on others to act, [while they themselves are] responsible for the greatest expansion in the promotion and production of fossil fuels. They pass massive business deals and they, all the while, refuse to provide proper finance to developing countries.'

Highlighting the plight of the Palestinian people and the hypocrisy of some countries that supported the war against Palestine, Bolivia said, 'Scientists have tried to place the focus only on the human rights of people living in the Global North while they ignore the dignity and the requirements of the majority of the global population. The [countries] defending human rights within the Convention [are] those committing genocide against the Palestinian people outside of the Convention ... they pass huge sums of money around in order to generate war while they deny the necessary funding to promote the structural solutions required to change the system.'

It further said, 'The developed countries put front and centre as non-negotiable the 1.5°C target but at the same time they undermine the only possible steps that are required to attain it by imposing 2030 emission reduction targets on developing countries which lead to greater poverty and economic dependence.' It also said that 'in this unfair and unequitable world' developed countries, which are historically responsible for causing the problem and should be carrying out a major share of the climate mitigation actions, 'are [not] made responsible for taking the actions. It is the developing countries who are shouldering [this]'.

Bolivia said 'we need a finance [goal] which will properly grant us the resources we need to take the steps. The finance that is hugely below our requirements is an insult and it is a flagrant violation of justice and climate equity'. The climate finance decision 'is extinguishing international cooperation. We are moving on from the time of leaving no one behind to an era of let every man save himself. The climate finance as it stands at the moment does not tackle the unfair unequitable status around the planet'.

It reiterated that ambitious climate action depends on compliance with the UNFCCC and Article 9.1 of the PA, 'on the basis of the provision of public finance from developed countries which properly meets the requirements of the Global South'. It added that 'climate finance is not charity [but] a legal obligation of developed countries. The amount of the goal agreed in this decision enshrines climate injustice and it does not meet the legitimate demands of developing countries. The payment of climate debt is a right that the people of the Global South are entitled to claim'.

Nigeria, in a very powerful intervention, 'lent its voice to India', adding that 'it's going to be a huge disservice to my country and women ... in developing countries ... if we walk back home with [the mobilisation of] \$300 billion and we say that the developed countries are taking the lead'. 'This is an insult to what the Convention says,' it added, noting that 'developed countries had the largest share of historical and current global emissions'.

Noting further that 'developed countries [are] saying that [they're] taking the lead with \$300 billion till 2035', Nigeria said this 'is a joke and it's not something we should take lightly' and not 'something we should clap our hands for and force us to take it'. It called on Parties to 'rethink' and not just by putting these statements in the record of the proceedings. It said forcefully that Nigeria 'does not accept this', explaining that developing countries were expected 'to have ambitious NDCs' and that 'the NCQG was supposed to enable us to have realistic finance goals' whereas the \$300 billion was 'unrealistic'.

Malawi, for the LDCs, expressed its agreement with India, Bolivia and Nigeria. It said 'this goal is not what we expected to get ... It's not ambitious to us' based on the needs reflected in the climate finance gap. On the issue of a special allocation for LDCs, it said that the decision did not provide for the share of resources that should be going to LDCs and small island developing states (SIDS). It was also disappointed that there was no reflection in the text for specific provision of funds for loss and damage. It expressed reservation on accepting the adopted decision.

Cuba said it 'profoundly regrets the insufficient outcomes obtained regarding climate finance' and that it 'does not agree with the goal on climate finance'. The scope of the decision adopted, it said, demonstrated the lack of agreement among developed countries and 'reflects their clear intention to renounce their responsibilities, which

have been historically and legally recognised in the Convention and the Paris Agreement'.

It added that the new goal 'increases the flow of resources from the Global South to the Global North in a continued dynamic of environmental colonialism. The new finance goal, as it stands, does not respond to the minimum requirements that have been laid down and in no way will lead to an improvement in the situation. The pledge of \$300 billion represents less now for developing countries than what was represented by the \$100 billion in 2009'. Elaborating, Cuba said that if inflation over the years was accounted for, the figure was low and was 'an alarming contrast with the defence budgets of developed countries'. It added that it did not see 'guarantees of sufficient support to the NDCs'.

It rejected the attempts of developed countries to impose new standards for emissions reductions which were not aligned with the principles of the Convention and the Paris Agreement while also diluting their own responsibility for the means of implementation. It said further that developed countries had an ecological and climate debt to humanity that must be paid, and 'cannot make us responsible for the ramifications of their unsustainable patterns of production and consumption'.

Pakistan said it was 'leaving Baku with mixed feelings and a heavy heart', noting 'critical gaps in the decisions adopted'. The finance goal put forward by the developed countries did not match the needs for the NDCs and national adaptation plans of developing countries, it added. 'We demand climate justice. It is not charity, it is moral obligation. Countries are forced to resort to loans to handle the challenges of climate impact. [The] climate crisis is converting into a debt crisis because means of implementation are not clear.'

The EU said, 'We do feel that the result of today is actually exceptionally important. We are living in a time of truly challenging geopolitics and we should simply not have the illusion that it will soon get better. So seeing a deal truly is exceptional. Last year ... COP 28 was the beginning of the end of fossil fuels and ... now ... COP 29 will be remembered as a start of a new era for climate finance and the EU and its member states will continue to play a leading role ... to ensure that there is significantly more money on the table. We're tripling the \$100 billion goal to \$300 billion and we feel it is ambitious, it is needed, it is realistic, and it is achievable. We are

confident that this will be a tale of delivery and we've worked hard to support in particular those who are the most vulnerable.' It added that 'access to finance will improve. We have agreed to further boost adaptation finance and that is an area where public money is really truly the driving force'.

On the expansion of the donor base, the EU said, 'It is also a matter of fairness and of importance to us that all those with the ability to do so should contribute and therefore it is good, given the size of the problem, that we enlarge the contributor base on a voluntary basis, and we're also seeing a historic expansion of the very important role of MDBs in supporting this transition. This simply will bring much more private money on the table and that is what we need and with these funds and with this structure, we are confident we will reach the \$1.3 trillion objective.'

On mitigation, it said 'we wanted more because the world needs more of it', and called for the redoubling of efforts at COP 30 with 'more ambitious new NDCs'. It also welcomed the decisions relating to Article 6 of the Paris Agreement on carbon markets, saying 'we have witnessed the historical conclusion of the rulebook for carbon markets. We now have standards with a UN stamp of approval on it and this will drive investment, raise ambition and bring transparency and higher standards'.

At COP 29, it said, 'we delivered on climate finance – on a goal and an increased donor base' – and 'also delivered on creating trusted rules for international carbon markets', but it 'would have wanted more on mitigation and stronger language throughout the texts on gender and human rights'.

#### Other key decisions adopted

Other key decisions that were adopted relate to the global goal on adaptation and the mitigation work programme, i.e., the Sharm el-Sheikh mitigation ambition and implementation work programme. These, along with the NCQG decision, were declared to be the 'Baku Climate Unity Pact' by the Presidency. Decisions on carbon markets relating to Articles 6.2 and 6.4 of the Paris Agreement were also adopted, as was a decision to extend the enhanced Lima work programme on gender by 10 years.

No decisions could be adopted on the UAE dialogue on implementing the global stocktake outcomes, which had been among the key contentious issues at this COP. The Presidency

announced that the matter would be considered at the next session (June 2025) of the UNFCCC's Subsidiary Bodies (SBs), with a view to recommending a draft decision to be considered at COP 30 in Belem, Brazil.

On the UAE just transition work programme, another important and contentious issue, a

procedural decision was adopted and discussion on the matter is expected to continue at the next session of the SBs.

The new SB Chairs were also appointed at the closing plenary: Adonia Ayebare (Uganda) for the Subsidiary Body for Scientific and Technological Advice, and Julia Gardiner (Australia) for the Subsidiary Body for Implementation.

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#### Efforts to narrow scope of just transition work programme averted

Kuala Lumpur, 28 November (Hilary Kung) – Developing countries averted efforts by developed countries to narrow the scope of the just transition work programme (JTWP) at the Baku climate talks, which ended at dawn on 24 November. The talks concluded with no substantive decision on advancing the JTWP, only a procedural decision to continue further consideration of this matter next year.

The failure to arrive at a substantive outcome was the result of an 'imbalanced text' by the Co-Chairs of the JTWP which did not reflect the concerns and proposals of developing countries and was viewed as narrowing the scope of the JTWP from the decision adopted in Dubai in 2023 at COP 28. Developed countries in the JTWP consultations wanted to delete references in the subsequent draft Presidency text to the Convention, the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), and the concept of the 'right to development', drawing strong reactions from developing countries. (See further details below.)

(The outcome from Dubai ensured the JTWP's broad scope when Parties decided that 'the work programme shall include the following elements:

- Just transition pathways to achieving the goals of the Paris Agreement...;
- Just and equitable transition, which 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;

- Opportunities, challenges and barriers relating to sustainable development and poverty eradication as part of transitions globally to low emissions and climate resilience, taking into account nationally defined development priorities;
- Approaches to enhancing adaptation and climate resilience at the national and international level;
- Just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities, including through social dialogue, social protection and the recognition of labour rights;
- Inclusive and participatory approaches to just transitions that leave no one behind; [and]
- International cooperation as an enabler of just transition pathways towards achieving the goals of the PA.')

At the closing plenary of the Baku talks in the morning of 24 November, COP 29 President Mukhtar Babayev announced that 'consideration of this matter couldn't be completed at this session', and proposed to request the UNFCCC's Subsidiary Bodies (SBs) to continue discussion at their 62nd session in June 2025 with a view to recommending a decision for consideration and adoption by CMA 7 in November 2025.

With regard to the JTWP, all eyes in Baku had been on whether developing countries could successfully clinch an actionable workplan bolstered by the delivery of climate finance, technology transfer, capacity building and international cooperation. However, the draft text of the Co-Chairs of the JTWP was viewed as 'imbalanced' by developing countries, and this

stalled the negotiations in the first week of the talks, with no consensus to transmit the text for further consideration in week two (see Update 9). Ensuring a balanced Presidency text in week two thus became the main objective of developing countries, to overcome the impasse from the first week.

On 21 November, the COP 29 President convened an open-ended single-setting session (called Qurultay, meaning 'meeting' in Azeri) at around noon to hear the views from Parties on all the new texts issued by the Presidency on areas of controversy, including the JTWP. During the session, the Presidency's lead negotiator Yalchin Rafiyev explained that the new JTWP text (released on 20 November) was based on inputs received from the Co-Chairs and further strengthened based on what Parties shared through bilaterals, and was seen as a 'well-balanced text for further engagement'. The Presidency's draft text contained a few bracketed paragraphs (denoting lack of consensus) and a few options on four of the paragraphs (including a no-text option).

The main focus of the single-setting session however was on the draft decision text on the new collective quantified goal on finance (NCQG), with not much attention given to the JTWP. During the session, several Parties indicated that they would like to have more time to engage on the Presidency's draft JTWP text.

#### **Informal consultations on 21 November night**

Later at night on 21 November, at around 10.30 p.m., an informal consultation was convened by Co-Chairs Kishan Kumarsingh (Trinidad and Tobago) and Georg Borsting (Norway) to resolve the impasse.

The Co-Chairs invited Parties to reflect on the Presidency draft text by stating their preference on options and views on the bracketed paragraphs. A representative from the Presidency team explained that the one-hour consultation was convened at the request of several Parties to engage on the Presidency draft text.

At the consultation, many developing countries expressed frustration over their inability to negotiate, as there were proposals missing and more clarification was needed over some of the text.

The draft text saw equity and the CBDR-RC principle being bracketed in the second paragraph of the preamble. The entire bracketed paragraph read, '[Affirming that countries have different starting

points and national priorities and that just transition pathways must be nationally determined, in the context of equity and the principle of CBDR-RC in the light of different national circumstances,]'.

The United States, the European Union and the United Kingdom requested deletion of this paragraph, while others including Brazil, the Arab Group, the African Group and the Like-Minded developing countries (LMDC) asked for it to be retained. The EU said there was no point in having this paragraph as by definition, it was already captured in the sentence 'Underscoring Article 2, paragraphs 1–2, of the PA'. In contrast, the LMDC said it was 'very worrying' to see the principle of CBDR-RC not mentioned in the operative paragraphs of the text, and questioned how CBDR could not even be an option in the text while wording that was not from the PA and UNFCCC was included in the options.

On the option of whether to recall Article 3.5 of the Convention or whether there should be no text, many developing countries including the LMDC, African Group, Brazil and India, and the Russian Federation preferred the option of recalling Article 3.5 of the Convention in relation to the concerns over unilateral restrictive trade measures, while developed countries such as the US, Canada and the EU preferred the no-text option.

(Article 3.5 states that 'Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.')

The EU, the US and New Zealand, in particular, said they could not accept recalling of the Convention, given that the JTWP was a CMA item (under the PA). [Developed countries had made multiple attempts in the past to delink the PA from the Convention (see an earlier TWN update).] Bolivia, for the LMDC, responded by saying that it would not accept deletion and rebutted that the PA was under the Convention; it was then supported by Brazil.

On the issue of energy access, **Ethiopia**, for the **LDCs**, said the draft text did not address this issue which was critical for the group. It said it had also submitted a written proposal but did

not see it reflected in the text. It then suggested explicit mention of energy access, to underscore that just transition should facilitate affordable energy access. This proposal was supported by the **African Group**, the **LMDC**, **India** and **Brazil**.

On another matter, the US proposed to delete the reference to the 'right to development' and the 'right to a clean, healthy and sustainable environment' in the text, and said it would have to come back to this after some guidance from lawyers on international human rights law. This provoked strong reactions from India and Burkina Faso.

'We will not accept the deletion of the reference to the right to development,' retorted India. This would be completely unacceptable, it said, highlighting that this was a surprise and that there was a UN declaration on the right to development which had 'beautiful language and [is] very well crafted'. It went on to cite the UN declaration and said that it was exactly because of the right to development that the LDCs were asking for the insertion of language on 'energy access' and 'energy affordability' in the text.

Speaking in a similar vein, **Burkina Faso** said, 'The right to development is not negotiable – this is our red line.' Referring to recognition of the special circumstances of LDCs and small island developing states (SIDS) in the Convention and the PA, it said further that 'we are not here to renegotiate ... we prefer no deal than a bad deal ... we will not accept carbon colonialism to come. We wouldn't accept any approach without means of implementation in the way forward ... We wouldn't accept any deal [that excludes] our informal sector, which is the engine of our economies that feed the world'.

**Brazil** also expressed its support for the LDCs and the LMDC, and said it was in favour of the addition of the 'energy poverty issue'. More broadly, it also voiced its frustration with the mode of work which made it 'impossible to follow all the suggestions' as Parties were not negotiating but only making statements. 'How are we going to follow the red lines and who decides what is to remain in the text [and what is being removed]?' It called for a more Party-driven improvement in the process.

Egypt, in its national capacity, said that there was a need to delete some paragraphs (paragraphs 15 and 16) in the text which contradicted the nature and scope of the JTWP that Parties had agreed to in Dubai. India, Bolivia for the LMDC and Qatar for the Arab Group shared the same view and

made similar comments on these two paragraphs.

Paragraph 15 of the draft decision read, 'Notes that just transition pathways are determined at the national level in a nationally determined manner through national climate plans, policies strategies such as NDCs (nationally determined contributions), NAPs (national adaptation plans) and LT-LEDS (long-term, lowemissions development strategies) and urges Parties to consider just transition pathways in developing and implementing NDCs, NAPs and LT-LEDS that are aligned with the outcome of the first global stocktake and the relevant provisions of the PA, recognizing that doing so can facilitate more ambitious climate action.'

Paragraph 16 read, 'Emphasizes the inherent connection between pursuing efforts to limit the global temperature increase to 1.5°C, including through deep, rapid and sustained reductions in greenhouse gas emissions, and pursuing just transition pathways.'

On the inclusion of references to the private sector in the JTWP in paragraph 17 (which was presented without brackets), the UK said paragraphs 16 and 17 were of utmost importance in this context. The LMDC commented that it could not accept the inclusion of the private sector in the text nor a blanket statement on the opportunities of transitions without even knowing what this entailed. Egypt said while it could go with paragraph 17, a lot of changes were needed in the paragraph. It further highlighted that this paragraph was not agreed language even though it was not bracketed, as Parties had not negotiated on the text. It suggested that the paragraph be deleted unless there were opportunities to change it to language that Parties agreed on.

Paragraph 17 read, 'Underscores the multisectoral and multidimensional nature of just transitions and the resultant need for whole-of-economy approaches to just transitions that engage the private sector, including micro, small and medium-sized enterprises, and contribute to the creation of green, decent jobs and recognizes that such approaches include significant socioeconomic opportunities associated with transitioning away from fossil fuels in energy systems.'

India also said it could not accept 'private sector' in the text in paragraph 17, which needed more clarification from those who had drafted it. 'What role is envisaged for the private sector in just transitions? It is not enough to simply throw in the word without context,' it said.

With regard 'socioeconomic to the opportunities associated with transitioning away from fossil fuels in energy systems' mentioned in the paragraph, India also questioned, 'What are the socioeconomic opportunities associated with fossil fuel transitions? If there are such opportunities, why is there a need for "social protection" ... or indeed even to make efforts for just transitions?' India went on to say that many things in the text had no basis in science and were not even reflected in any part in the secretariat's summary of the two dialogues held under the JTWP; it was unclear from where they had been introduced into the text.

India also questioned the meaning of the term 'workers affected by a just transition' in paragraph 14. 'If workers are also affected by a "just transition", how can it be "just"?' it asked.

Paragraph 14 read, 'Further highlights the importance of ensuring meaningful and effective social dialogue involving all relevant social partners, including with workers affected by a just transition, informal workers, people in vulnerable situations, Indigenous Peoples, local communities, migrants and internally displaced people, children, youth and persons with disabilities, as well as education for sustainable development and decent work, for enabling effective, inclusive and participatory just transition pathways and reiterates that the global transition to low emissions and climateresilient development provides opportunities and challenges for sustainable development and poverty eradication.'

In paragraph 19 of the text, option 1 invited the JTWP to integrate outcomes of the first global stocktake (GST) relevant to a just transition. The UK said follow-up on the relevant elements of the GST was key to this programme. Japan, New Zealand and the EU also indicated option 1 as a strong preference. The LMDC, India, the African Group, the Arab Group, Egypt and the Russian Federation preferred the no-text option, with the LMDC, India and the Russian Federation indicating that this was their red line.

Paragraph 19 read, 'Invites the work programme to integrate outcomes of the first global stocktake relevant to just transition ... in line with paragraph 186 of decision 1/CMA.5.'

On 'developing country Parties with significant capacity constraints' in paragraph 21 of the text, **India** asked 'which Parties are included here' and was happy to engage but this had 'no basis'.

Paragraph 21 read, 'Acknowledges the challenges and barriers faced by developing country Parties with significant capacity constraints, including the LDCs and SIDS, in preparing and implementing national climate change plans and notes the importance of enhancing the provision of means of implementation and creating domestic enabling environments for preparing and implementing such plans.'

India also highlighted that it could not accept paragraph 22 – which 'notes the summary of the 2023 Forum of the Standing Committee on Finance on financing just transitions and the information therein on integrating consideration of just transitions into national policy making and policy frameworks as well as into creating enabling environments, and mobilizing and enhancing access in relation to financing just transitions' – because the paragraph linked entirely to domestic policy alone without the global dimension. Explaining further, it said 'we should speak to the question of the depletion of the global carbon budget and the pre-2020 implementation gap as all this constrains our policymaking at the domestic level'. (For more details, please see the part on India's intervention in Update 9.)

In a similar vein, the LMDC and the Arab Group also highlighted the need to recognise that 'developed countries bear their historical responsibilities'.

On the reference to 'global partnerships' in option 1 of paragraph 24, the US said, 'We strongly support option 1 as the substance in this paragraph is critical for the JTWP and this paragraph also speaks to the real purpose of a work programme', adding that it would be 'a real detriment to lose this paragraph'. This was echoed by the UK, which said that option 1 was key to recognising international cooperation.

However, India questioned what 'global partnership' meant. The LMDC suggested maintaining the part that acknowledged the lack of capacity among developing countries but called for deletion of 'may' and for references to 'partnerships' to be changed to 'cooperation'. (References to 'global partnerships' such as the 'Just Energy Transition Partnerships' or JETPs have drawn much criticism from some think-tanks, as well as concerns from some developing countries.)

Paragraph 24 read, 'Acknowledges that developing country Parties may lack the institutional

and financial capacity to achieve just transitions on their own and that global partnerships and capacitybuilding initiatives may be essential in this context and recognizes that the work programme has the potential to promote and enhance the role of existing international partnerships and institutional arrangements in providing capacity-building and technical and financial assistance.'

On the mode of work during the informal consultation, Egypt, for the G77 and China, requested the Co-Chairs to project the text at the start of the consultation so that Parties could engage with the text and to follow and track what exactly others were saying. This was echoed by many others including China, Brazil, the LDCs, the African Group, Iran, the LMDC, Peru, Burkina Faso and Indonesia. The proposal was however not accepted by the Co-Chairs, who said that this was due to a 'distinct objection from the US'.

India expressed dismay in this regard and said 'a lot of Parties asked for the text to be seen on the screen as many are not native English speakers' and that this would enable a more 'just' process. It added that Parties 'could have moved a while ago [with textual negotiations] but we were provided with no options'.

Towards the end of the session, **Egypt**, for the **G77 and China**, expressed its disappointment, saying, 'We started at 10.30 p.m. and we were told we had an hour but we have now exceeded ... [these] 2.5 hours [would have been] more conducive if we could engage on the text and if the request by 134 members [to project the text on screen] was honoured. Unfortunately [we are] very disappointed ... rejection by only one Party ... led us to this critical situation. ... So many nights here [we have] tried to engage constructively but we never broke into a single informal-informal [to negotiate on the text]. It is very frustrating. Just transition should mean justice and unfortunately the JTWP did not reflect any justice in the process.'

Bolivia, for the LMDC, also expressed its disappointment 'with the process that has been carried out to take us to this point of exhaustion'. It said 'we could not restrict our comments only to the options and bracketed paragraphs because in our view, currently everything is bracketed since nothing is agreed upon. Indeed, we have not negotiated the language in any of the paragraphs.

We can go paragraph by paragraph through the entire text, and provide our inputs. From what we have heard, we can see that colleagues have asked for the removal of some of the paragraphs that we think are extremely important for us to have here'.

China emphasised the need for a 'Party-driven process' and said it was important for Parties to know who had proposed what in the text so that they could engage and seek clarification or negotiate with the proponent and not negotiate with the Co-Chairs.

Hence, the consultations on 21 November ended with Parties reiterating and elaborating some of their views and positions in further detail, some of which had been stated during the Qurultay earlier.

#### 22 November draft text

The <u>final iteration</u> of the Presidency draft text of 22 November saw some changes, with the insertion of the 'access to affordable energy' language, but, by and large, many concerns and 'red lines' from developing countries remained unaddressed, including the removal of the reference to Article 3.5 of the Convention relating to unilateral trade measures.

On what was supposed to be the final day of the talks on 22 November, according to reliable sources, the Presidency convened bilateral meetings with selected groups of Parties over the draft decision text. However, no consensus was possible.

Sources also said that some developing countries, including the LMDC supported by the African Group, made efforts to salvage the situation by proposing a procedural decision, suggesting an additional paragraph calling for submission by Parties, observers and non-Party stakeholders of their views on how the implementation of the work programme could be strengthened to effectively address the elements contained in the Dubai decision. This proposal did not see the light of day.

With no substantive outcome on the Presidency text, developing countries did manage to thwart efforts to narrow the scope of the JTWP and to undermine 'justice' in the just transition.

Further consideration on advancing the JTWP will continue afresh in Bonn, Germany, in June 2025.

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#### Countries outline expectations on just transitions

Kuala Lumpur, 28 November (Hilary Kung) – Ministers and heads of delegation shared their expectations on what the just transition work programme must deliver at the <u>second annual high-level ministerial roundtable on just transition</u> which took place on 18 November in Baku.

The ministerial roundtable provided a platform for a political discussion on the implementation and direction for the JTWP, while negotiators at the informal consultations at the technical level sought to arrive at a decision to advance the work programme. (No substantive outcome was possible at the conclusion of COP 29, owing to divergences between developing and developed countries, with developed countries seeking to narrow the scope of the JTWP. See Update 13 for further details.)

The Ministerial Co-Chairs were Yoko Alender, Minister of Climate of Estonia, and Kerryne James, Minister of Climate Resilience of Grenada.

Elnur Sultanov, the Chief Executive of COP 29 (who is also the Deputy Energy Minister of Azerbaijan), in his keynote speech on the JTWP, emphasised that it was a shared commitment of Parties to shape pathways that were not only aligned with the Paris Agreement but also rooted in the principles of equity, inclusiveness and sustainable development.

Nabeel Munir, the Chair of the Subsidiary Body for Implementation (SBI), said in his reflections from the first year of implementation of the JTWP that the programme would not be truly just if the platforms were only given to decisionmakers, and that focus should be on the importance of the work programme for the outside world.

Below are some of the highlights from the roundtable discussion, which clearly revealed how

developing countries and developed countries view the JTWP.

Kenya, for the African Group, outlined five main focuses of the discussion under the multilateral space: '(1) The implementation of the PA goals in the context of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC); (2) Developed country Parties should take the lead in emission reductions, pursuant to Article 4 of the PA, and should consequently achieve net zero emissions earlier than developing countries, ... cooperation for developing countries to allow policy and fiscal space towards sustainable development, with a view to achieving an orderly and equitable transition amongst Parties; (3) Adaptation in the context of just transition approaches is extremely important for Africa in light of international barriers and challenges; (4) Climate finance provided by developed countries should be commensurate with the mitigation, adaptation and loss-and-damage needs of developing countries in line with the 1.5°C temperature goal, in line with nationally defined priorities and provided primarily through international public finance and instruments that do not lead to further indebtedness of developing countries; (5) International barriers and challenges must be addressed, notably the transboundary impact of climate-change-related response measures, international policies, rules, measures on trade, tax, debt that have direct and indirect impacts on the viability and fairness of transition planning and implementation, especially for developing countries and least developed countries. Domestic policies, rules, measures such as CBAM [carbon border adjustment mechanism] and IRA [the US' Inflation Reduction Act] that

have significant outward impact, particularly for developing countries. All these points must be considered and addressed through the JTWP.'

More specifically, the group suggested establishment of 'the necessary mechanisms and processes to complement the dialogues, for example technical papers; establish dedicated task teams nominated by Parties to support these objectives and develop a draft framework and tool for consideration by the CMA'.

Tuvalu, for the Alliance of Small Island States (AOSIS), said, 'The JTWP should offer clear frameworks and guidance that allow countries to define their just transition pathways within the context of sustainable development and poverty eradication. These frameworks must acknowledge and adapt to the unique socioeconomic realities of different regions; focus on poverty eradication and sustainable livelihoods. For this, poverty eradication and sustainable economic development are core objectives. We expect a work programme promote initiatives that target poverty eradication as part of climate transition, such as promoting climate-resilient jobs and protecting vulnerable communities from climate impacts ... The work programme should collaborate across governments, private sector [and] civil society to ensure inclusive, transparent, equitable transition.'

Ethiopia, for the LDCs, said 'just transition must prioritise energy access, poverty reduction [and] eradication, debt sustainability, social equity, and the adequate provision of means of implementation'. Elaborating further, it said, given that agriculture and natural resources dominated the informal economic sector in LDCs, it 'is essential to prioritise social protection for both formal and informal workers and communities at risk of being left behind. We also recognise the importance of adaptation indicators which are critical for measuring progress in enhancing climate resilience and ensuring sustainable climate resilience as well as just development. In this context, we call for strong international cooperation to provide the financial resources, technology transfer and the capacity building needed for our sector'.

'We need an outcome under the JTWP ... We need to scale up capacity-building efforts and technology transfer while avoiding technology dumping of older technologies ... on LDCs,' said Ethiopia further.

For **Colombia**, just transition was a wholeof-economy transition. As a coal exporter and oil producer, it said it needed to think about what sectors in its economy could replace fiscal dependence on fossil fuel exports in the timeframe that the science had stated and in line with what had been agreed to in the PA to stabilise warming at 1.5°C. 'It is not an endeavour that has been done before in history, creating a new sector in the economy in the time of a decade to replace the income from fossil fuels.'

'When you ask how can international cooperation provide the support, we replied [that] with the current financial system and economic process and inequality, it is very difficult to make the transition [happen]. That's why emissions keep increasing and production of fossil fuels keeps increasing. Because [no one] would put [the] economy at risk first without the guarantee to move forward,' said Colombia further. This was not an excuse for inaction but a review of the collective goal on finance would be more expensive, it said, in an apparent reference to the global stocktake under the PA which takes place every five years.

It said further, 'We have to talk [about] fair access to capital, trade agreements and how to deploy technology in an effective way, supply and demand of fossil fuels, the deep fossil fuel economy question. Until now [these issues] in this process have not been addressed and because we don't address them, ... we don't get the solution.' It believed that there was an opportunity for this 'but we need to shift the conditions of power. Otherwise, we will reproduce the same inequality of development we have now'.

Colombia went on to ask how Parties could 'work together to bring a transition regime for life and economic transition regime that puts public finance first and is able to lower capital access for the transition as a political part and not leave it to [the] market on who can access and who cannot access capital'. It pointed to how credit rating agencies could downgrade a country's rating and bring its currency down, and said it was time for politics and multilateralism to take control of this and enable the change to happen.

Egypt stressed that 'the just transition pathways should lead us to both low-emission economies and to more resilient economies if we are truly to uphold the notions of climate justice. Furthermore, we must differentiate between national and international context'. Elaborating further, it said 'the intention [of COP 27 to establish the JTWP] was to create a space for dialogue that would enhance international cooperation as a driving force to enable implementation and raise ambition in national climate policies, and to enable countries to pursue their nationally determined transition strategy, which must be coupled with

their defined development priorities and include social protection, so as to mitigate potential impacts associated with the transition. The enabling international environment is not only limited to the provision of support from developed to developing countries, but should also include refraining from unilateral trade measures that hamper national efforts in achieving sustainable development and poverty eradication as prerequisites to the implementation of ambitious NDCs [nationally determined contributions] and NAPs [national adaptation plans]'.

'As for the implementation of NDCs and NAPs in the national context, all three needs of implementation are critical in integrating just transition, viz., finance, capacity building and technology transfer, with a strong emphasis on finance, acknowledging the need to understand cost estimates in order to calculate the total financial resources required for implementing just transition initiatives,' said Egypt further.

India said, 'Global climate justice is at the core of our work here under the Convention and its PA. The principles of equity and CBDR-RC are foundational to all work under the Convention and its PA. It is high time that these principles are actually well understood by all in the context of global climate action. The principles have embedded within themselves the historical emissions and consequent responsibilities on Parties and the aspirations of development for the developing countries. Development is the overriding priority for countries of the Global South. The fact of stark inequalities in access to energy, infrastructure, amenities and wellbeing is not hidden from the world.'

It added further that 'developing countries like India have per capita energy consumption at onethird of the global average, not to compare with the average of the developed countries, which is much higher. Our understanding and operationalisation of just transitions must foreground the fact of these vastly different starting points and national circumstances. At COP 27 it was decided that the issues of just transition are not very narrow, but are linked to wider economic and social aspects of the transition, among others. The denial of international equity narrows our domestic options and poses further challenges to our objectives of achieving immediate, rapid and sustained access to development opportunities and affects the most vulnerable communities in our countries the most'.

Therefore, India added, 'the global dimensions of just transitions must be recognised and reflected

in the work being undertaken at COP 29. In the spirit of international cooperation that is embedded in this multilateral process, our discussion here must include discussion of key enablers and disenablers of global just transitions'.

'Let us discuss unilateral coercive measures that restrict trade flows and restrict countries from accessing equitable development opportunities. Let us discuss the question of intellectual property rights on green technologies, which hinder their free and scalable access to developing countries. Let us discuss the carbon debt that is owed by developed countries to developing countries for their overuse of the global carbon budget. Monetisation of this carbon debt would be in trillions. Let us discuss the science that guides all climate discourse – whether it is based on considerations of global equity and environmental justice. Let us discuss how the inequity continues to be perpetuated in the climate discourse. Let us discuss the choices of citizens in developed countries being sacrosanct vs the costs imposed on the citizens of developing countries due to transition. Let us discuss the promotion of sustainable lifestyles that we all agreed to at the United Nations Environment Assembly in Nairobi this year.'

India said that 'a frank discussion of these issues and their inclusion in our decisions taken at COP 29 will be the cornerstone of building trust that would unlock a truly equitable and just global transition. Therefore, we feel it is premature to discuss just transition pathways in the context of NDCs and NAPs. Just transition has to begin with transition in developed countries. We underscore the need for developed countries to take the lead in transitions to achieve net zero emissions by end of this decade not only to provide carbon space for developing countries but also to lower the costs of transition unduly put on citizens of developing countries. Provision of adequate means of implementation is the most critical enabler for just transitions. At the same time, transitions in developing countries should not be seen as investment opportunities. They undermine the "just" element of just transitions by making the victim pay up for remedies rather than providing him the remedy'.

India called on Parties to 'work with the aim of strengthening the work programme implementation. At the same time, CBDR-RC, equity and climate justice should be core for discussions of just transition pathways and should not be seen as another platform to push for prescriptive top-down approaches in disregard

of the nationally determined nature of transition pathways. Just transitions must be just'.

China said, 'The road to carbon neutrality and climate adaptation will require profound systemic changes to the economy and society, and developing countries will undoubtedly face more difficult and complex challenges. Just transition will help countries to implement their national policies and ensure the parallel advancement of the climate governance goals of the Convention and the PA as well as the Sustainable Development Goals [SDGs]. The realisation of a just transition requires the establishment of a multi-stakeholder cooperation mechanism under the Convention to jointly address the transition challenges.'

It then suggested the following priorities: 'First, refine and clarify the mandate and work arrangements of the JTWP. COP 28 has identified the scope and form of the work programme, but the specific tasks, timelines and outcomes remain unclear. Secondly, refine and clarify the support to developing countries in implementing a just transition, as referred to in the COP 28 decision. As developing countries face multiple challenges on their way to carbon neutrality and in implementing a just transition, they need support from the international community in terms of technology, finance, etc. We need to further clarify how developing countries will receive such support and the response is a long-term challenge; so is just transition, requiring the establishment of a sustained support mechanism to help developing countries carry out their work. Thirdly, interference and obstacles should be removed and international cooperation strengthened. All Parties should do more practical work conducive to solidarity and cooperation, avoid any form of protectionism and unilateral measures, and make joint efforts

to promote a just transition to create a favourable environment for achieving the PA goals and the SDGs.'

The **United Kingdom** reiterated the 'commitments to 1.5°C' and the 'transition away from fossil fuels as agreed at COP 28'. It also highlighted the 'need to build on the findings of the just transition dialogue this year, which means recognising the importance of workforce, education system, labour rights and social protection enabling a just transition'.

The European Union said keeping the temperature limit within reach required quick and impactful action on the ground. For that to happen, it was essential that domestic climate policies be operationalised for a truly systemic transformation. 'In this context, the JTWP is a key tool to reach net zero greenhouse gas emissions as soon as possible, like reaping the transformative social, economic and environmental benefits of these necessary transitions ... The EU sees the JTWP as enabling higher ambition for accelerated mitigation and adaptation. We have to continue our social development and economic growth through job creation, improvement in job quality, education and training, economic diversification and social protection measures ... And in this context, the JTWP is, in our view, a global reformation and a key tool to make sure that this transition is first and foremost about all of our people. And just to articulate what others have stressed as well, the benefits and the fairness of a just transition are huge. It would include job creation, improvements in job quality and incomes, education and training. It would imply economic diversification. It would imply social protection measures and access to essential services, such as clean affordable energy and public transportation.'

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#### Calls from developing countries to discuss unilateral measures

Kuala Lumpur, 29 November (Hilary Kung) – The issue of whether unilateral measures (UMs) can be discussed at the UNFCCC was highly contested during the Baku climate talks.

Developing countries wanted the issue to be discussed as UMs imposed by developed countries have negative impacts on them. One such measure cited by developing countries was the European Union's carbon border adjustment mechanism (CBAM). Developing countries argued that the UNFCCC was the place to discuss such policies, while developed countries said that the proper forum was the World Trade Organisation (WTO).

The issue of UMs was discussed under the agenda item on the forum on the impact of the implementation of response measures (the forum), as well as under closed-door consultations by the COP 29 Presidency on whether UMs should be a specific agenda item on its own [in response to a proposal by BASIC (Brazil, South Africa, India and China) for such an item to be discussed]. The BASIC proposal to discuss the impacts of UMs was supported by other developing countries, including the G77 and China.

Following intense negotiations, the issue of UMs only found place for discussion in the workplan as an activity of the response measures forum. (See details below.)

#### Response measures forum

A focus of discussions was on how developing countries' concerns over climate-change-related unilateral restrictive trade measures would be addressed in the new five-year workplan of 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 for 2026–2030 (KCI)'.

The options on the table were: (1) 'Recalling Article 3, paragraph 5 of the Convention, analyse, assess and report on the impacts of measures taken to combat climate change, including domestic and cross-border impacts'; and (2) 'Analyse, assess and report on the impacts of measures taken to combat climate change, including UMs, on Parties with economies most affected by the impacts of response measures, particularly developing country Parties'. (The BASIC countries' proposal was to name the activity 'Analyse, assess and address climate-change-related unilateral restrictive trade measures, and identifying the ways to promote international cooperation'.)

During the final informal consultation convened late in the late evening of 21 November, developing countries, led by the G77 and China, called for 'special attention on UMs' and reemphasised that the mandate should stay focused on the negative and cross-border impacts. Developed countries, however, talked about budgetary constraints and cost implications of the proposed workplan.

Mattias Frumerie (Sweden) and Andrei Marcu (Honduras) co-facilitated the final informal consultation.

The final compromise language that made its way into the workplan that was adopted reads: 'Activity 6: Analyse, assess and report on the impacts of measures taken to combat climate change, including cross-border impacts, recalling Article 3, paragraph 5, of the Convention'.

(Article 3.5 of the Convention establishes that 'Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change.

Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.')

The modalities agreed for Activity 6 include building awareness and enhancing information-sharing through the exchange and sharing of experience and best practices; preparing technical papers; national, regional and sector-specific case studies, concrete examples and guidelines; receiving input from and facilitating collaboration with experts, practitioners and relevant organisations; and organising workshops.

As per paragraphs 6 and 7 of the decision text that was adopted, the KCI will prepare and include in its annual report for 2025 a timeline and modalities for the implementation of each activity in the workplan, as well as the consideration of matters of process and substantive matters. It was also agreed that the outputs would be two reports and recommendations to the governing bodies.

While the decision was welcomed by developing countries, there is still some way to go before a meaningful discussion can take place on the impacts of UMs.

#### Presidency consultations on UMs

Prior to the climate talks, **China**, for the **BASIC** group, had submitted a proposal to include a new item, titled 'Concerns with climate-change-related unilateral restrictive trade measures, and identifying the ways to promote international cooperation in line with the first GST Outcome', on the provisional agendas of the governing bodies such as the Subsidiary Bodies, COP 29, CMP 19 and CMA 6.

(Paragraph 154 of the GST decision adopted in Dubai in 2023 'recognizes that Parties should cooperate on promoting a supportive and open international economic system aimed at achieving sustainable economic growth and development in all countries and thus enabling them to better to address the problems of climate change, noting that measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade'.)

Since there was no agreement to include the proposed issue on the agenda, the COP 29 Presidency decided to convene consultations among Parties to find a resolution. However, the divergences remained and the issue could not be resolved. Following are highlights of the interventions made by developing countries, which were shared with TWN.

Uganda, for the G77 and China, said that the rise in unilateral policies and actions in the political, economic and trade domains was a major threat to multilateralism and should be stopped. It expressed deep concern over the increase in unilateral and protectionist measures, which ran counter to the spirit and rules of the WTO, and the purposes and principles of the UN, and said that such measures led to negative impact on developing country exports' access to global markets. It also said it expected developed countries to fulfil their leadership role through more ambitious mitigation targets and financial support to developing countries in line with priorities of developing countries. It stressed that measures to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

Referring to the Pact for the Future adopted at the UN General Assembly in September, Uganda said that all UN member states had agreed in the Pact that 'States are strongly urged to refrain from promulgating and applying unilateral economic measures not in accordance with international law and the Charter of the United Nations that impede the full achievement of economic and social development, particularly in developing countries'. It reaffirmed the Group's firm rejection of the imposition of laws and regulations with extraterritorial impact and all other forms of coercive economic measures, including unilateral sanctions, against developing countries, and reiterated the urgent need to eliminate them immediately.

China said UMs and trade-and-climate nexus were important issues in discussing real cooperation to enhance ambition. It said there was a need to find a 'home' for the discussion on UMs in the climate process, emanating especially from the GST outcome. It also said that there had actually been an increase in the amount of measures that prevented the free flow of trade, which impacted transition to low and zero carbon in some sectors. Such UMs had negative effects and had increased the cost of global action on climate change, and therefore the issue needed to be resolved. It also said the UNFCCC was the main channel to address the climate crisis collectively and there was a need to collaborate better with the WTO. Parties needed to discuss international cooperation in the UNFCCC in the spirit of multilateralism, China

said, calling for a contact group under the COP to discuss climate and trade issues.

Bolivia, for the Like-Minded Developing Countries (LMDC), said that UMs were a matter of critical importance for global equity, fairness, sustainability and international cooperation. Certain UMs risked undermining the aspirations of developing nations for equitable and inclusive growth, it said, adding that unilateral trade measures, while claiming to address climate change, exacerbated inequality, placed undue burden on developing economies and imposed a penalty on developing countries. It also said that unilateral trade measures risked undermining the spirit of international climate agreements such as the Paris Agreement, which emphasised the need for common but differentiated responsibilities (CBDR). In essence, these measures could shift the responsibility for climate action disproportionately onto those who bore the least historical responsibility for global warming, further entrenching inequalities between developed and developing nations. It also said that instead of imposing UMs, Parties should prioritise international cooperation for the provision of climate finance, technology transfer and capacitybuilding support for developing countries.

Venezuela, for the Bolivarian Alliance for the Peoples of Our America (ALBA), said unilateral trade-restrictive measures adopted by developed countries under the guise of climate objectives constituted a systemic concern with disproportionate adverse effects on developing countries and a flagrant violation of the postulates of the UN Charter, the Convention and the PA. Illegal unilateral coercive measures represented a violation of the right to development and human rights, it said, reaffirming that ALBA advocated a new and fair international order which upheld international cooperation for mutual benefit, noninterference in the internal affairs of states, respect for the sovereignty and self-determination of peoples, and the lifting of all unilateral sanctions and unilateral coercive measures imposed against sovereign states.

**Brazil** said UMs were of systemic concern and needed to be discussed under the UNFCCC. Progress in the climate regime emerged from a foundation of trust and collaborative effort and unilateralism was not the answer, it said. 'No single government has the means to tackle global warming in isolation. International trade cannot serve as a tool for members to backtrack on their obligations under the UNFCCC and shift away

their historical responsibilities for climate change.' Climate ambition and climate leadership required countries to take more costs and burdens for themselves, not impose them on others, it added.

'If our stakeholders are frustrated with the pace of multilateralism, they will be doubly so when no meaningful process is left standing after we drain it of trust by trying to fund the climate transition with someone else's resources. We urge all members desiring a quick breakthrough at the UNFCCC to enhance their own national pledges and, particularly, to fulfil their outstanding obligations to provide climate finance and technology transfer to developing countries,' it said.

It added that in order to be constructive, the BASIC group had not blocked the agenda adoption, but that the underlying understanding of that compromise was that Parties must find the space to have constructive conversations and come together on a way to address the nexus between climate and trade to be mutually supportive. 'The WTO is looking to us for guidance; discussions there have highlighted a lack of expertise to understand how the climate provisions apply to those measures. It is our duty here to meet them halfway,' said Brazil further.

India said the BASIC group had been cautioning against rising protectionism in the form of trade barriers from arbitrary and unjustifiable unilateral measures and that such measures discriminated against countries seeking to industrialise through export-led growth, by raising the cost of exports and getting emerging and developing economies to finance transition without the flow of adequate technology and finance. If the goal was to reduce global carbon emissions, climate policies must focus on provision of concessional finance and capacity-building support with respect to both mitigation and adaptation, said India.

A regime of unilateral trade-related measures on climate change imposed the cost of the transition to low-carbon economies on developing countries, said India. 'They effectively will result in a reversal of climate finance mobilised by the developed countries. It is like asking the victim to pay for the remedy.'

Trade measures related to climate change needed to be assessed on their potential impact on equitable and just transitions, in the context of sustainable development and efforts to eradicate poverty, it said further. UMs violated the principles of equity and CBDR-RC and the UNFCCC provisions. 'It is not a surprise that we have Article

3.5 in the Convention, that has also been reiterated in paragraph 154 in the GST decision last year. We see today that there is a need for discussion on UMs invoking these provisions,' elaborated India.

South Africa said unilateral climate action with negative cross-border impacts, especially trade impacts, impacted developing countries' ability to respond to climate change, implement commitments under the PA as well as address socioeconomic goals. 'We have bilaterally and in multilateral forums called on those Parties designing or implementing UMs which have negative cross-border impacts to reconsider the implementation of these policies, heed our call for designing policies by doing impact assessment reports and finding other solutions,' it said further. It called on such Parties to consider the fulfilment of their other obligations under the PA instead of creating punitive, coercive and discriminatory policies outside the scope of the principle of equity and CBDR-RC.

In a veiled reference to the EU's CBAM, South Africa said a study by the London School of Economics had found that its impact would devastate the GDP of the African continent by 0.91% (equivalent to a fall of \$25 billion at 2021 levels of GDP). 'This is an unbearable loss to the economic development of my continent and will create lasting further challenges to our people. Also, some studies have pointed out, the solution some UMs are trying to solve (such as carbon leakage) is an issue that no evidence exists for, but rather is an arbitrary conclusion,' said South Africa.

It said developed countries' assertion that the WTO was the only forum to discuss the issue was incorrect; otherwise it would mean that issues like finance and human rights should be discussed in their respective fora and not in the UNFCCC. Further, when it came to UMs, developed countries said at the WTO that climate matters belonged in the UNFCCC. South Africa stressed that climate change was not a siloed issue and must not be treated as such.

Egypt said the discussion of UMs was of much importance and relevance to the climate change process. It saw such measures as a form of 'green protectionism' using environmental regulations to mask what could very well be trade barriers which favoured domestic industries. 'This would most likely unfairly disadvantage our exports particularly within sectors which lack the necessary resources and capacities to decarbonise at the required pace.'

It also said that many developing country sectors relied on carbon-intensive industries and while they were committed to decarbonising, this should be done at a nationally determined pace which in turn would be affected by the availability of resources. UMs not only raised export costs and potentially hindered developing countries' economies and decreased their export competitiveness, but would also most likely exacerbate global economic inequality since wealthier nations had the necessary resources and could afford cleaner technologies. Implementation of such measures, as presented thus far, demanded the availability of extensive data on carbon intensity of exported products, which posed multiple challenges, not to mention the cost of verification. Smaller businesses in particular would be hit hardest as they lacked the resources to accurately report their emissions. Furthermore, the efficacy of such measures in reducing global emissions was rather questionable, as they only addressed imports and not emissions produced within the countries imposing them. Without addressing domestic emissions, these measures could distract attention from the need for more comprehensive policies, said Egypt.

It called for goodwill and cooperation and not more division, saying UMs were likely to be perceived as coercive and even punitive, which would undermine trust in the climate negotiations and risk alienating developing countries who were already under-resourced and struggling to find the necessary resources to contribute to climate action. Such measures could potentially impose an unfair burden on countries already struggling to meet their legitimate development and poverty eradication objectives.

According to sources, the **EU** expressed concerns on the way the agenda item was framed, which implied that the UNFCCC would attempt to resolve issues that lay outside the Convention and may influence policies of countries. Responding to criticism of specific EU policies, it said it did not recognise such critiques because when it designed policies that may have a spillover into other areas, it followed the principles that were in the WTO. It added that it looked forward to deepening conversations in the response measures forum, especially on impact assessment of specific policies.

According to sources, the **United States** said the matter of UMs had been adjudicated in the WTO, which had the mandate and expertise to understand it and was the right forum to address it.

Sources also said that **Switzerland**, **Canada**, the **United Kingdom**, **New Zealand** and **Australia** were opposed to having any discussion on UMs in the UNFCCC and said that the WTO was the right forum to address the issue.

#### UAE dialogue on global stocktake outcomes

Meanwhile, under the UAE dialogue on the global stocktake paragraph 97, following intense negotiations, the COP 29 Presidency presented

a compromise proposal which appeared to accommodate the BASIC call.

In the decision text, there was a paragraph which requested 'the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to hold, at their sixty-second sessions (June 2025), a roundtable on the nexus between trade and climate change'.

However, this proposed decision text was not adopted, due to objections from many countries on the UAE dialogue decision as a whole (see Update 18).

## TWN

## Baku Climate News Update 16

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#### Weak finance mobilisation goal of \$300 billion per year by 2035

Kathmandu, 29 November (Prerna Bomzan and Meena Raman) – The <u>decision</u> on the new collective quantified goal on climate finance (NCQG), controversially adopted in the extended closing of the COP 29 talks on 24 November in Baku, sets a mere mobilisation goal of \$300 billion per year by 2035, with developed countries taking the lead – which is only a trebling of the \$100-billion-per-year goal agreed to in Cancun, Mexico, in 2010, and a far cry from the needs of developing countries.

While the decision (in paragraph 3) highlights that the 'costed needs reported in [the] nationally determined contributions [NDCs] of developing country Parties are estimated at USD 5.1–6.8 trillion for up until 2030 or USD 455–584 billion per year and adaptation finance needs are estimated at USD 215–387 billion annually for up until 2030', the new finance goal failed miserably to respond adequately to the identified needs.

The decision (in paragraph 7) also calls on 'all actors to work together to enable the scaling up of financing to developing country Parties for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035'.

Absent from the decision is a clear commitment from developed countries to provide for a core quantum from public resources to developing countries, which had been a call by the G77 and China throughout the negotiations.

Developing countries also pointed out that the \$300 billion per year, which is to be mobilised with developed countries taking the lead, failed to represent real 'progression beyond previous efforts' (of \$100 billion per year) when one takes into account inflation over the years. (According to Dr. Fadhel Kaboub, an economist from Africa, at a very conservative inflation rate of 5%, the net present value of \$300 billion mobilised in

2035 would be worth only \$175 billion in 2024.) Many called the quantum a 'joke' and an 'insult' to developing countries.

It was also agreed (in paragraph 36) 'to periodically take stock of the implementation of this decision as part of the global stocktake and to initiate deliberations on the way forward prior to 2035, including through a review of this decision in 2030'. (The next GST is in 2028, following the first conducted in Dubai last year.) Clearly, a review of this decision will only take place in 2030, for a new goal to be set prior to 2035, which sets the timeframe for the goal to 10 years, which several developing countries said is too distant in the future.

The new climate finance goal, extremely low in ambition, thus came to be a weak and unfair deal imposed on developing countries, falling appallingly short of the legal obligation for the clear provision of grants and concessional loans by developed to developing countries based on the latter's needs and priorities.

Furthermore, the swift adoption of the contested decision, silencing any objection, saw a violation of the principles of consensus and multilateralism, which was duly called out with grave disappointment by India, strongly objecting to the adoption. Its call was supported by Bolivia, Nigeria, Malawi for the Least Developed Countries (LDCs) as well as Cuba, who all decried an unacceptably weak decision which would yet again allow a great escape by developed countries from their historical responsibility for the climate crisis, unjustly shifting the burden to developing countries for more action with less or no support. (See Update 12.)

In essence, the NCQG negotiations and outcome exposed the flagrant efforts of developed countries to erode the bedrock principle of

differentiation between developed and developing countries under the Convention and its PA, with grave implications for developing countries. During the evolution of the different iterations of the NCQG draft decision text (all limited documents shared only to Parties), it was learnt that references to the Convention and the principle of historical responsibility got ultimately dropped, along with calls for clear commitments from developed countries for the provision of a definite quantum of public resources towards the NCQG. (See further details below.)

#### How the negotiations unfolded

It is to be noted that the first week of the NCQG talks did not see any 'technical' negotiations, eventually forwarding on 16 November a Co-Chairs' draft decision text (not agreed in status) to the political negotiations under the COP 29 Presidency in the second week. (See Update 8.)

The mode of work then turned into consultations, led by the appointed ministerial pair of Yasmine Fouad (Egypt) and Chris Bowen (Australia), on the three highly contested 'political' issues of the quantum, structure and contributors of the NCQG. In parallel, 'technical working sessions' were conducted with heads of delegation (HoDs) of groups and Parties on issues of access, transparency, dis-enablers, context and preamble, among others. The two parallel tracks aimed to contribute to a draft decision text by the Presidency.

The first iteration of the Presidency's draft decision text was issued on 21 November morning, resulting in conflicting reactions with the developing countries especially pushing back and expressing frustration over the persistent absence of mention of any number on the quantum by the developed countries.

This was followed by the Presidency calling for a 'single-setting' meeting with HoDs to hear views on the text, and issuing the next iteration of the draft decision early on 22 November (which was supposed to be the final day of the Baku talks). Following continued disappointment and disagreement by developing countries especially on the low quantum and references to new contributors (involving developing countries), the Presidency upped the ante with vigorous rounds of consultations and 'shuttle diplomacy' (negotiations conducted by the Presidency between Parties that were at odds) through 23 November. These included continued political negotiations at the

highest level with ministers present, where undue pressure was reportedly exerted by the developed countries maintaining their rigid stance and pushing for a weak deal which would dilute their responsibilities while adding more pressure on developing countries.

It was learnt that three iterations of the draft decision text were produced on 23 November, which saw frantic last-ditch attempts towards building consensus on the lingering sticky issues of the quantum and the contributors to the goal. A non-consensus draft decision text with a minuscule revision of the quantum was eventually bulldozed through in the early hours of 24 November.

The following brief analysis of the adopted NCQG decision focuses on the goal formulation comprising structure, quantum and contributors, which remained the most contested and controversial issues until the very end.

### NCQG structure: multi-layered approach of mobilisation and investment

Developing countries had throughout the negotiations called for a simple, single-layer structure – a provision and mobilisation goal of an ambitious quantum informed by their needs and priorities with an amount of at least \$1.3 trillion per year from developed to developing countries, with a significant provision component of at least \$600 billion per year (from developed countries) – and not by any means an investment goal.

At the stocktake session convened by the COP 29 Presidency to report on the state of the negotiations on 21 November, the ministerial pair leading the consultations on the NCQG had reported that discussions in respect of the provision component of the quantum saw proposals in the range of \$400–900 billion per year, out of the mobilisation goal of \$1.3 trillion annually.

However, the NCQG structure finally took the shape of a multi-layered approach of mobilisation and investment with no provision component, which had been the overbearing position of developed countries from the outset. Sources said that the goal formulation largely reflected textual language by the United States, thus accommodating its demands and getting locked into a very weak deal, when the US is expected to soon withdraw from the PA under the incoming Trump administration.

Reliable sources said that the US interpretation of the NCQG was on the basis of the goal in Article 9.3 of the PA, which provides that 'As part of a

global effort, developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds...'. The US also maintained that this was a voluntary effort as Article 9.3 uses the term 'should' instead of 'shall'.

Developing countries on the other hand read the NCQG as a goal involving both a mobilisation component and a provision component from developed to developing countries as stated in Article 9.1 of the PA, which reads, 'Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.'

Key paragraphs 7–10 of the NCQG decision pertain to the multi-layered goal formulation, comprising structure, quantum and contributors, and supported by preceding and succeeding paragraphs in this regard.

As stated above, paragraph 7 'Calls on all actors to work together to enable the scaling up of financing to developing country Parties for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035'. It forms the outer layer in the form of an aspirational target, calling on all actors and from public and private sources, which is supported by paragraph 4 that reads, '... and that there is sufficient global capital to close the investment gap but there are barriers to redirecting capital to climate action, and that governments, through public funding and clear signals to investors, are key in reducing these barriers'.

In addition, paragraph 6 'Reiterates the importance of reforming the multilateral financial architecture and underscores the need to remove barriers and address dis-enablers faced by developing country Parties in financing climate action, including high costs of capital, limited fiscal space, unsustainable debt levels, high transaction costs and conditionalities for accessing climate finance'. One dis-enabler highlighted by developing countries – the negative impacts of 'unilateral measures' such as the carbon border adjustment mechanism (CBAM) – did not find its way into the NCQG decision.

Paragraph 8 is key as it sets the NCQG goal: 'Reaffirms, in this context, Article 9 of the PA and decides to set a goal, in extension of the goal referred to in paragraph 53 of decision 1/CP.21, with developed country Parties taking the lead,

of at least USD 300 billion per year by 2035 for developing country Parties for climate action:

- (a) From a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;
- (b) In the context of meaningful and ambitious mitigation and adaptation action, and transparency in implementation;
- Recognizing the voluntary intention of Parties to count all climate-related outflows from and climate-related finance mobilized by multilateral development banks [MDBs] towards achievement of the goal set forth in this paragraph.' [Paragraph 8(c) comes with the following footnote: 'This does not prejudice any decision under any governing body of any MDB, noting that each bank operates within its own mandate and governance structure and the intention reflected in this paragraph relates to the PA.']

Paragraph 8 forms the inner layer in the form of a core NCQG mobilisation goal of at least \$300 billion per year by 2035, in the context of the aspirational scaling-up target in paragraph 7 of at least \$1.3 trillion per year by 2035 from all actors, both public and private.

The reaffirmation of Article 9 of the PA in paragraph 8 which sets the NCQG goal is important for developing countries, as it implicitly includes Article 9.1 of the PA. Getting an explicit reference to Article 9.1 would have been challenging in view of the US stance. It is learnt that the insertion and retention of the Article 9 reference was possible only due to the consistent push by developing countries for a more balanced package.

However, the NCQG turned out to be a lowambition goal of climate finance mobilisation, although with developed countries taking the lead in the effort to do so, as they have done in relation to the earlier \$100-billion-per-year goal.

## NCQG quantum: low-ambition mobilisation goal

Much to the anger and frustration of developing countries until the end over the elusive quantum, developed countries had refused to announce it, arguing that it was dependent on the structure and contributors of the goal. The US in particular always referred to the quantum 'from a floor of USD 100 billion per year' reflected in the decision in Paris from 2015, which decided to set the NCQG in accordance with Article 9.3 of the PA.

It is learnt that the two quantum figures referred to in paragraphs 7–8 of the final decision first appeared in the revised iteration of the Presidency's draft decision text on 22 November: paragraph 7 carrying the first outer layer figure of \$1.3 trillion per year by 2035, and paragraph 8 carrying an inner core NCQG component figure of only \$250 billion per year by 2035 (which was referred to as 'a joke' by several developing countries which had proposed a range of \$400–900 billion).

On 23 November, after three evolving iterations of the draft decision text, the final NCQG mobilisation goal of 'at least USD 300 billion per year by 2035' was set in paragraph 8 – the maximum flexibility extended by developed countries to increase the quantum, according to sources. This was indeed a real blow for developing countries.

Paragraph 16, resulting out of last-minute negotiations for a more balanced package, provides some comfort. It decides that 'a significant increase of public resources should be provided through the operating entities of the Financial Mechanism, the Adaptation Fund, the Least Developed Countries Fund and the Special Climate Change Fund and also decides to pursue efforts to at least triple annual outflow from those Funds from 2022 levels by 2030, at the latest with a view to significantly scaling up the share of finance delivered through them in delivering on the goal contained in paragraph 8 above'.

## Counting of climate-related outflows from MDBs towards the NCQG

Paragraph 8(c) was particularly problematic for India, as it believed that the paragraph would make it a 'major contributor', along with other developing countries who were also shareholders in the MDBs. India scathingly remarked that this was a deflection of the responsibilities of developed countries.

It is learnt that India had called for the deletion of the paragraph altogether for it to join a consensus, but this request was not entertained. Considerable pressure was exerted on India to accept the deal as is, by senior officials of the European Union, the US, the UAE as well as the COP 29 Presidency. In its statement objecting to the adoption of the decision which was bulldozed through, India called the process 'stage-managed' and assailed the decision as 'nothing more than an optical illusion' (see Update 12).

The reference to the 'voluntary intention of Parties to count all climate-related outflows from and climate finance mobilised by MDBs' added to the confusion, and is bound to raise many questions about how such intention is to be expressed and whether the counting of the outflows would be automatic.

## **Expanding the contributors to the mobilisation goal**

The developed countries persisted with their efforts to 'expand the contributors' by including developing countries, based on their 'evolving capacities' and forcing 'every country in a position to do so' to contribute to the NCQG. This effort was somewhat thwarted eventually, with no such references in the decision in relation to the goal.

However, the controversial paragraph 8 of the decision referred to above, which sets the NCQG goal, attempts to broaden the contributors, making developing countries new contributors in their role as shareholders of the MDBs, besides including references to efforts from 'a wide variety of sources, public and private, bilateral and multilateral, including alternative sources'.

Also, paragraph 7 on the \$1.3 trillion target calls on 'all actors' as well from all public and private sources.

Further, paragraph 12 of the decision highlights the role and effectiveness of the MDBs. It 'Encourages Parties, in carrying out their functions as shareholders of MDBs, to continue advancing efforts to promote an evolution agenda for bigger, better and more effective MDBs in order to address global challenges and poverty eradication and maximize impact in developing country Parties'.

In addition, paragraph 23 adds concerns and implications on 'development finance', with the expansion of the role of the 'international financial institutions, including MDBs', in addressing climate change. Paragraph 23 'Invites international financial institutions, including MDBs as appropriate, to continue to align their operational models, channels and instruments to be fit for purpose for urgently addressing global climate change, development and poverty, in accordance with their mandates and in line with the direction of their governing bodies, including by: (a) Deploying a range of instruments, in particular non-debt-inducing instruments; (b) Considering shifting their risk appetites in the context of climate finance; (c) Continuing to contribute to

scaling up climate ambition and finance, including by simplifying access to finance; (d) Continuing to enhance the effectiveness of climate finance provided and mobilized; (e) Considering scaling up highly concessional finance for developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries [LDCs] and small island developing States [SIDS]; (f) Aiming at increasing grant financing disbursed to the LDCs and SIDS'.

## **Encouraging developing countries to make** contributions voluntarily

Paragraph 9 of the decision 'Encourages developing country Parties to make contributions, including through South-South cooperation, on a voluntary basis'. However, it is important to note that this paragraph is not linked to paragraph 8 which sets the NCQG. This reference to 'a voluntary basis' recognises Article 9.2 of the PA, which states that 'Other Parties [as opposed to developed countries] are encouraged to provide or continue to provide such support voluntarily'.

The preservation of the voluntary nature of the contribution was a key demand from developing countries, especially China, India and Saudi Arabia.

Also important to note is paragraph 10 of the decision, which reads, 'Affirms that nothing in paragraphs 8–9 above affects any Party's development or recipient status.' This raises questions on what is intended with this paragraph. (The provisions of the PA are clear on the obligations of developed countries and that all developing countries are entitled to receive financial resources.)

#### Baku-Belem roadmap to \$1.3 trillion

In the final hours of the intense negotiations, paragraph 27 of the decision came into being. This paragraph decided 'to launch, under the guidance of the Presidencies of the sixth [Azerbaijan] and seventh [Brazil] sessions of the CMA, in consultation with Parties, the "Baku to Belém Roadmap to 1.3T", aiming at scaling up climate finance to developing country Parties to support low greenhouse gas emissions and climateresilient development pathways and implement the nationally determined contributions and national adaptation plans including through grants, concessional and non-debt creating instruments, and measures to create fiscal space, taking into account relevant multilateral initiatives as appropriate; [and] also requests the Presidencies to produce a report summarizing the work as it concludes the work by CMA 7'.

This proposal is said to have come from the SIDS, although the original paragraph exploring options to design and implement appropriate minimum allocation floors, in particular for LDCs and SIDS, was dropped from the final decision. The Alliance of Small Island States (AOSIS) and the LDCs had walked out of the negotiations on 22 November, condemning a lack of inclusivity in the process and lack of reflection in the draft decision text of their key demands and red lines such as the minimum allocation floor. Paragraph 27 was an effort to pacify the SIDS and LDCs to join the consensus.

In all, the NCQG decision, which has already seen objections and controversy over its adoption, is bound to come under intense debate and scrutiny when the climate talks resume next year.

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## COP 29 adopts decision on mitigation work programme

New Delhi, 2 December (Radhika Chatterjee) – Parties adopted a <u>decision</u> to continue the work of the Sharm-el-Sheikh mitigation implementation and ambition work programme (called MWP for short), at the recently concluded climate talks held in Baku, Azerbaijan.

Adopted on the concluding day of COP 29, the decision was declared by the COP 29 Presidency to be a part of the 'Baku Climate Unity Pact' along with decisions relating to the new collective quantified goal on finance (NCQG) and to the global goal on adaptation (GGA).

The MWP decision was adopted following intense disagreements between Parties. The main areas of contention that surfaced during the two weeks of consultation on the MWP included: the manner in which key findings from the annual report (on the dialogues and investment-focused events held under it) were reflected in the final decision; using the MWP as a vehicle to implement the outcomes of the first global stocktake (GST), especially those relating to paragraph 28 (on global mitigation efforts in relation to energy, including the transitioning away from fossil fuels), through 'high-level messages'; and inclusion of specific messages relating to science and urgency in the context of keeping the 1.5°C goal alive.

Another point of disagreement that arose in the later part of the consultations centred on discussion of cross-cutting issues like the impact of the implementation of response measures in future global dialogues of the MWP. (Impacts of implementation of response measures refer to the effects arising from the implementation of mitigation policies and actions in countries.)

(For further details of the intense negotiations over these issues, see Update 4.)

Developing country groups like the Like-Minded Developing Countries (LMDC), the African Group and the Arab Group insisted that the objective of the MWP was to facilitate dialogues and exchange views, to provide an opportunity to Parties to share experiences and learn from each other, and that the focus should be on improving those dialogues and the investment-focused events, to ensure Parties were able to make the most out of the exchanges facilitated by the work programme.

They also stressed that the programme should not be a vehicle to impose or prescribe national mitigation targets through the inclusion of 'highlevel messages' and 'cherry-picking' findings from the MWP annual report without taking into account the varying national contexts of countries. Doing this, they asserted, would undermine the nationally determined nature of each country's contributions to climate action, and would change the mandate of the work programme. These groups along with **Group SUR (Brazil, Ecuador, Paraguay and Uruguay)** also highlighted the importance of means of implementation in raising their ambition.

On the other hand, developed countries such as the United States, the European Union, the Environmental Integrity Group (EIG) and Australia, and some developing countries especially the Alliance of Small Island States (AOSIS) and the Least Developed Countries (LDCs) insisted on having 'strong outcomes' from the MWP with messages to Parties to scale up mitigation ambition, keeping in mind the 'urgency' of the situation. This, they said, was to be done through the insertion of key messages under the MWP. Some of the key elements they emphasised for these messages were: having mitigation action aligned with the 1.5°C goal;

creating a strong linkage between the MWP and the GST in accordance with paragraph 186 of the Dubai GST decision; scaling up mitigation action in line with paragraph 28 of the GST decision; and using the MWP to inform the process of updating the nationally determined contributions (NDCs) of Parties.

(Paragraph 186 of the GST decision states: 'Invites the relevant work programmes and constituted bodies under or serving the Paris Agreement to integrate relevant outcomes of the first GST in planning their future work, in line with their mandates.')

China, for the LMDC, emphasised the need to stay within the mandate of the MWP and not include any kind of targets in the decision as that would be against the bottom-up nature of the Paris Agreement. Asking to keep any kind of linkages between the MWP and the GST at bay, it said the outcomes of the GST could be used to inform NDCs as provided in Article 14 of the PA. It also shared several inputs for improving the organisation of the MWP. It said that the scope of the dialogues under the MWP should not deviate from what had been in the decision from Egypt (4/CMA.4) and that they should not duplicate topics that had already been discussed. It also asked for a clear indication in the decision for the discussion of cross-cutting topics like 'negative impacts of response measures, barriers and challenges of unilateral measures', gaps relating to financing, consideration of common but differentiated responsibilities and respective capabilities (CBDR-RC) and equity, and issues relating to just transitions.

Regarding the investment-focused events, the LMDC said the digital platform proposed by Brazil (see below) could be considered in the context of a mitigation implementation platform to connect mitigation projects with funders. It asked developed countries to present progress on delivering on their finance and technology obligations to developing countries. It also called for discussing the adequacy of levels of support from developed to developing countries and the unintended consequences of developed countries' actions. It also suggested considering a 'wide range of flexible financing options' including concessional loans and grants that could meet diverse needs of sectors 'without preconditions'.

On the issue of including messages related to science, **India** said, 'To parse these messages to pick ones that suit one or other issue out of context will not be acceptable. We do not see how this could be a way forward, as it will by

definition have to be an exercise in cherry picking. We have heard from colleagues that they think it is important to highlight the science. But we think Parties are aware and apprised of science constantly through various processes both within and outside the Convention ... We do not think that it is some paragraphs within the GST that do this ... We have heard that Parties want the reflection of some specific elements of the GST in the decision because these reflect the best available science ... It must be emphasised that a large part of the references in the GST that ... colleagues have referred to here are actually based on economic analysis and assumptions. They cannot be viewed, therefore, as removed from all the other elements of the GST. Parties have adopted the entire GST decision, not just some paragraphs at the exclusion of others. So, to reflect this ... would mean referencing all 196 paragraphs in the decision. We do think that Parties are capable of reading the GST outcome in its entirety and that it will inform their NDCs. It is in fact quite heartening to hear, not only in this room but in many different rooms, that Parties indeed intend to use the GST or signals from the GST to have national discussions as to how their NDCs could be not only more ambitious but also more equitable. These are conversations that we must have domestically and this is the trust we place in the process of implementation of the PA.

India added that 'there could be clear indication for the global dialogues [under the MWP] to include cross-cutting elements. For example, the operationalisation of equity and CBDR-RC in ensuring fair access to the carbon budget, the impact of coercive unilateral measures on trade flows and on opportunities in developing countries, the benefits of removing intellectual property rights in the diffusion of renewable energy technologies, among others. We submit that these are very much linked to mitigation'.

Saudi Arabia, for the Arab Group, made similar remarks and added that accepting the invitation of paragraph 186 of the GST outcome 'would muddy our [MWP's] scope and expand it in a way which [we] would not like to see'. Expressing its reluctance to include key findings from the MWP annual report in the decision, it said that the report was 'not a final negotiated product', and the topics and sub-topics that were discussed in the dialogue were chosen by Co-Chairs of the MWP, which 'eventually leads us to a report' produced in a process that was 'not Party-driven'. The 'resulting basket of solutions' summarised in

the report, it said, 'cannot be applicable and relevant to all contexts' and 'cherry-picking' messages from the report 'would ignore the contextual differences of Parties'.

Zimbabwe, for the African Group, said there was a difference in the understanding of the mandate and scope of the MWP. Commenting on various aspects of the informal note produced by the co-facilitators on 15 November, it said the Group 'recognises that it contains multiple elements of a top-down approach' and was 'prescriptive in nature', which would be 'difficult for us to accept'. While emphasising the usefulness of existing modalities of the global dialogues and investment-focused events, it said 'there is still room for improvement ... and there is still scope for focusing on enhancements'. It also mentioned the need for improving matchmaking between projects and relevant stakeholders, and discussing issues relating to investment flows and grant financing, so that mitigation implementation could be discussed in this critical decade. It added 'we think it is unfair to use the MWP as a placeholder for policy messages and GST elements'.

for Group SUR, elaborated Brazil, on its proposal which it had shared earlier in the discussions. Calling it a 'mitigation implementation facilitation platform', it said this platform would connect mitigation projects with relevant stakeholders. In this context, it also mentioned NDCs and the need to be 'in line with the purpose and objectives' of the PA. It said it would like the scope of the platform to include projects with adaptation co-benefits and wanted this platform to be a hub that could be linked to other platforms like the platform for Article 6.8 (which is a non-market-approach mechanism), nationally appropriate mitigation actions (NAMA) platform (set up under the Convention), platforms related to agriculture, technology networks, and other platforms outside the UNFCCC regime.

It added that 'we would have one year to think about this ... it would have submissions from Parties' and that it would be 'built through negotiations'. Regarding the topics that this platform and the MWP could work on, it mentioned the need for a 'sectoral progressive approach' and engaging in other sectors like forest restoration and bioeconomy and the whole GST, including paragraphs 'where we recognise that developed countries are not taking the lead because we know there is a gap in their mitigation ambition, provision of finance and means of implementation' to developing countries.

Expressing its agreement with the LMDC's proposal on improving organisational aspects of the MWP, it supported the inclusion of crosscutting topics like the negative impact of response measures, aspects related to just transitions, and the need for 'balance between developed and developing countries'. It also asked for the discussion of 'biodiversity, synergies between ... Conventions, related topics and cross-cutting issues of the Intergovernmental Panel on Climate Change'.

**Iran** and **Qatar** supported the views of the LMDC and the Arab Group, and **Egypt** supported the LMDC and the African Group.

The US asked for reaffirming messages related to the urgency of keeping 1.5°C pathways alive and including 'high-level messages based on emerging science'. It also supported the inclusion of key messages relating to the rapid acceleration of deployment of renewable energy, expansion of grids and energy storage, phasing out coal, addressing methane emissions, measures relating to enhancing energy efficiency and so on. Highlighting the need to 'send signals', it said, 'We are not here to prescribe any specific actions. We are here to reflect on how we can accomplish what we have agreed on, including the GST decision ... We want to make sure the MWP fulfils its mandate and that we build on the first GST decision.' It added that 'we can't wait another five years' and that there was a need to 'consider mitigation aspects of the GST decision', especially the 'forward-looking aspects' as detailed in paragraphs 28 and 33 (on reducing deforestation and degradation by 2030), in future global dialogues of the MWP.

It said there was a need for discussing opportunities to 'facilitate acceleration of mitigation actions'. Stressing the importance of reflecting on mitigation aspects of the GST, it said 'it is natural to pick up relevant things from it [GST] in the MWP ... the MWP is not a static programme'. It said the US 'would support a clear call' and reference to paragraph 186 of the GST decision and highlighting that the MWP was following up on 'what we agreed to last year'.

Regarding discussion of cross-cutting issues like the impact of response measures on developing countries in future global dialogues, it said the MWP Co-Chairs were empowered to select topics for the dialogues and that it 'doesn't support bringing other issues' as the MWP was the 'one place for talking about mitigation action'. While calling Brazil's proposal on a digital platform 'interesting', it said it had 'concerns about

duplication and effectiveness' and that there were 'practical questions about how it would be set up'.

(Observers in the room who heard the US intervention wondered how exactly the US intends to show more mitigation ambition when its President-designate Donald Trump has indicated that the country will exit from the PA.)

Other developed countries and groups like the EU, the EIG, the United Kingdom, Canada, Australia, Japan and South Korea expressed positions similar to that of the US.

#### The Baku MWP decision

The MWP decision that was finally adopted by Parties took note of the 'key findings, opportunities, barriers and actionable solutions summarized in the annual report on the work programme for 2024' in its paragraphs 6 and 7, 'recognizing that they do not represent an exhaustive summary of all views expressed in this regard and taking into account different national circumstances'. Paragraphs 6 and 7 of the decision read as follows:

- 6. Also notes the key findings, opportunities, barriers and actionable solutions summarized in the annual report on the work programme for 2024 on the topic "Cities: buildings and urban systems", recognizing that they do not represent an exhaustive summary of all views expressed in this regard and taking into account different national circumstances, including:
  - '(a) In relation to reducing operational emissions (from heating, cooling and appliances), designing building envelopes for energy efficiency (for retrofitting and new construction), reducing embodied emissions (from building materials), spatial planning and low-carbon infrastructure, electrification and switching to clean and low-emission technologies, and enhancing carbon storage through green and blue infrastructure;
  - '(b) The importance international collaboration and means of implementation, including finance, technology transfer, capacity-building, knowledge-sharing and awarenessfor urgently raising, scaling implementation of mitigation actions, particularly in developing countries;
  - '(c) The need to tailor solutions to sociocultural and economic contexts,

- noting that there is no "one size fits all" approach owing to the diversity of national and local circumstances;
- '(d) The importance of enhancing collaboration between cities, subnational authorities, local communities and national Governments on developing and implementing mitigation actions;
- '(e) The importance of integrating climate action into work on buildings and urban system planning to reduce emissions through long-term planning in the context of sustainable development and efforts to eradicate poverty and inequality;
- '7. Further notes that addressing the key findings, leveraging the opportunities, overcoming the barriers and considering the actionable solutions referred to in paragraph 6 above is voluntary and can be enabled by country-specific action in the light of different national circumstances, international cooperation and the mobilization of financial, technology and capacity-building support to developing countries'.

High-level messages relating to the GST outcome were not included in the MWP decision. Paragraph 10 of the decision encouraged Parties, observers and other stakeholders to 'submit views on opportunities, best practices, actionable solutions, challenges and barriers relevant to the topic of each dialogue under the work programme', which may include information on:

- '(a) The experts, potential financiers and investors to be invited to participate in the global dialogues and investment-focused events;
- '(b) The specific needs and circumstances of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change, as provided for in the Convention and the PA'.

The decision, in paragraph 11, also requested the secretariat to organise future global dialogues and investment-focused events under the guidance of the MWP Co-Chairs in such a manner as to:

- '(a) Enhance regional and gender balance among invited experts;
- '(b) Increase the number of participants from each Party, particularly from developing country Parties, including by expanding virtual participation opportunities;

- '(c) Enable Parties to contribute to determining the agenda, subtopics and guiding questions for the dialogues and events with a view to enhancing transparency;
- '(d) Enhance the matchmaking function to assist Parties in accessing finance, including investment, grants and concessional loans;
- '(e) Enhance understanding of regional perspectives'.

Paragraph 13 of the decision took note of the proposal made by Brazil on behalf of Group SUR for the creation of a digital platform for facilitating the implementation of mitigation, while paragraph 14 invited submissions from Parties to share their views on the design and features of this platform:

- '13. Notes the discussion at this session regarding the creation of a digital platform to facilitate implementation of mitigation actions by enhancing collaboration between governments, financiers and other stakeholders on developing investable projects in a country-owned and nationally determined manner;
- '14. Invites Parties, observers and other stakeholders to submit via the submission portal by 1 May 2025 views on the design and features of the platform referred to in paragraph 13 above with a view to an exchange of views on the platform taking place at the sixty-second sessions of the subsidiary bodies (June 2025)'.

In a related matter, during the high-level ministerial roundtable on pre-2030 ambition, it was shared that the tenure of the current Co-Chairs

of the MWP, Amr Osama Abdel-Aziz (Egypt) and Lola Vallejo (France), was ending in 2024 and that new Co-Chairs for the next year would be appointed by the Subsidiary Body Chairs.

## Similar calls in the MWP and the UAE dialogue

The calls under the MWP on scaling up mitigation ambition and messages from paragraph 28 of the GST outcome decision were mirrored in the negotiations in the UAE dialogue on implementing the GST outcomes.

In fact, some of these messages on scaling up mitigation ambition were reflected in paragraphs 9, 10, 11 and 14 of the decision text that was proposed by the COP 29 Presidency for the UAE dialogue. However, during the closing plenary session of the COP, the Parties which wanted to see more mitigation ambition in the decision text expressed their disappointment and objected to its adoption. For instance, paragraph 14 of the UAE dialogue draft decision text read: 'Also reaffirms the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5°C pathways and calls on Parties to contribute to the global efforts referred to in paragraph 28 of decision 1/CMA.5 in a nationally determined manner, taking into account the PA and their different national circumstances, pathways and approaches.'

Subsequently, COP 29 President Mukhtar Babayev announced that since discussions on the UAE dialogue could not be completed, the item would be continued in the next session of the Subsidiary Bodies in June 2025. (See Update 18.)

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## Divergences in key matters on global stocktake at COP 29

New Delhi, 2 December (Radhika Chatterjee) – Parties could not find consensus on any of the three key matters relating to the global stocktake (GST) at the Baku climate talks which concluded on 24 November. These included discussions on: (i) the UAE dialogue on implementing the GST outcomes (under paragraph 97 of the decision from Dubai last year); (ii) procedural and logistical elements of the overall GST process; and (iii) report on the annual GST dialogue referred to in paragraph 187 of decision 1/CMA.5. These matters were considered under the Conference of the Parties to the Paris Agreement (CMA).

On the UAE dialogue, the Subsidiary Body for Implementation (SBI) was requested by the Parties to continue consideration of the matter in its next session in June 2025, without the adoption of any procedural conclusion.

Matters relating to procedural and logistical elements of the overall GST process were forwarded to the Subsidiary Bodies (SBs) for consideration in their next session on the basis of an <u>informal note</u> that was prepared by co-facilitators Thureya Al Ali (United Arab Emirates) and Patrick Spicer (Canada) during COP 29.

On the annual GST dialogue, discussions could not be concluded and Rule 16 of the UNFCCC's draft rules of procedure was applied. (Rule 16 provides that 'Any item of the agenda of an ordinary session, consideration of which has not been completed at the session, shall be included automatically in the agenda of the next ordinary session...'.)

#### **UAE** dialogue

Parties could not agree on the UAE dialogue decision text proposed by the COP 29 Presidency at the closing plenary of COP 29. Several

country groupings such as the Environmental Integrity Group (EIG), the Umbrella Group, the Independent Alliance of Latin America and the Caribbean (AILAC), and the Alliance of Small Island States (AOSIS) expressed their disappointment with the decision text. Chile, for AILAC, said that the 'text does not enjoy consensus'.

After hearing their statements, COP 29 President Mukhtar Babayev requested the SBI to continue further consideration of this matter at its next session (SB 62). Given the huge divergences amongst Parties, even procedural conclusions could not be adopted for this item. (See further details below.)

## At the informal consultations

The key bone of contention concerning the UAE dialogue was over its scope (see Update 11) [The dialogue's scope had been a matter of wide divergence at previous sessions as well (see TWN Update). The spillover of that fight translated into a delay in launching the work at COP 29 due to the contested placement of this item in the agenda (see Update 2).]

Several developing countries like the Like-Minded Developing Countries (LMDC), the Arab Group, the African Group and Group SUR (Brazil, Ecuador, Paraguay and Uruguay) emphasised that the dialogue should be focused on finance aspects of the GST outcome. The rationale behind their position was that since the mandate for the dialogue as detailed in paragraph 97 of the GST outcome was in the finance section of the document, its focus therefore had to be on issues relating to finance. There were some minor variations in the positions of these groups, with their positions reflected in an informal note that

was prepared by co-facilitators Ricardo Marshall (Barbados) and Patrick Spicer (Canada).

The LMDC and Arab Group favoured the scope for tracking 'financial support from developed countries to developing countries for implementing nationally determined contributions [NDCs] and national adaptation plans [NAPs] and on tracking progress in the delivery of the new collective quantified goal on climate finance [NCQG]'. They also wanted the dialogue to 'provide a space for developed countries to share updates and announcements relating to their contributions and efforts to mobilise climate finance and for developing countries to indicate their gaps and needs for climate finance'.

The **African Group** wanted the dialogue 'to focus on financing implementation of NDCs, NAPs of developing country Parties and agreed climate goals'.

During the informal consultations, **Group SUR** insisted that the original mandate for the dialogue, which was in the finance section of the GST outcome, should be respected. Citing the Vienna Convention on the law of international treaties, it said paragraph 97, from which the UAE dialogue derived its mandate, should be read within its context. Describing efforts of developed countries to change that as 'acrobatics', Group SUR said 'it undermines the integrity of GST' and leads to a loss of 'good faith'.

Other developing country groupings like AILAC, AOSIS and the Least Developed Countries (LDCs) wanted agreement that the dialogue 'will facilitate comprehensive consideration of collective progress in implementing the outcome of the first GST with a focus on the provision of finance, as well as capacity-building and technology transfer'.

Developed countries/groups like the United States, the European Union, the EIG, Canada, the United Kingdom, Australia, Norway and Japan, on the other hand, wanted the scope of the dialogue to be wide and focus on all aspects of the GST, and called for agreement that the dialogue 'will facilitate comprehensive consideration of collective progress in implementing the outcomes of the first GST with a focus on the outcomes not covered by existing mandates or activities of constituted bodies and work programmes under the Convention and the Paris Agreement'. They wanted the dialogue to 'include an update on collective progress in implementing the full range of the actionable, forward-looking outcomes of the first GST, contained in decision 1/CMA.5, paragraphs 28-36, 39-40, 42, 51, 55, 59, 61-65, 70, 90–91, 95–96, 107, 118, 130, 154, 170, 173 and 190'. They favoured such a wide scope for the dialogue because they wanted it to provide a space for the 'consideration of the energy transition in developing countries, including action and support for their transition away from fossil fuels, and innovative solutions for both developed and developing countries', among other things.

The fight over the scope of the UAE dialogue was closely tied with the fight over the modalities of the dialogue. According to sources, developed countries like the Umbrella Group and the EIG, and some developing countries like AILAC, wanted the dialogue to produce annual reports and to use those reports for informing the second GST process. They were also keen to request the secretariat to prepare an 'annual report on global progress towards the implementation of the global efforts referred to in paragraphs 28 and 33' of the first GST outcome.

Some of these aspects were reflected in the text version that was released on 22 November, after negotiations over the dialogue had moved to political consultations. However, the final text produced did not include the call for the production of annual reports, which drew criticism at the closing plenary from proponents (see below).

In the final version of the decision <u>text</u> proposed by the Presidency to bridge differences, the scope of the dialogue was reflected in the following paragraphs:

'50. Decides that the UAE dialogue on implementing the GST outcomes will continue until 2026, take place in a facilitative manner and in the spirit of international cooperation; it will consist of parallel tracks on the implementation of the outcomes of the first GST, covering mitigation and adaptation, as well as the identification of opportunities in finance, capacity-building, and technology development and transfer as key enablers, noting the role of Parties' NDCs and NAPs, as appropriate, in implementing the GST outcomes;

'51. Also decides that the UAE dialogue will include consideration of opportunities for enhancing the provision of finance and other means of implementation, as well as opportunities for enabling action on mitigation; adaptation; addressing the impacts of response measures; averting, minimizing and addressing loss and damage; and promoting international cooperation, where applicable'.

Further, in paragraph 54, the text read as follows: 'Decides that the United Arab Emirates dialogue will be held annually in conjunction with

the first regular sessions of the subsidiary bodies of the year'.

The decision text in paragraph 7 requested the Subsidiary Bodies at their next sessions in June 2025 to hold 'a round table on the nexus between trade and climate change'. This text appeared to be an attempt to respond to the call by developing countries to discuss unilateral measures in the UNFCCC process.

Forward-looking elements of the GST outcome, including paragraphs 28 (on the energy transition) and 33 (on addressing deforestation), were dealt with in the following paragraphs:

'14. Also reaffirms the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5°C pathways and calls on Parties to contribute to the global efforts referred to in paragraph 28 of decision 1/CMA.5 in a nationally determined manner, taking into account the PA and their different national circumstances, pathways and approaches;

'16. Also reaffirms the importance of conserving, protecting and restoring nature and ecosystems towards achieving the PA temperature goal, including through enhanced efforts towards halting and reversing deforestation and forest degradation by 2030, and other terrestrial and marine ecosystems acting as sinks and reservoirs of greenhouse gases and by conserving biodiversity, while ensuring social and environmental safeguards, in line with the Kunming-Montreal Global Biodiversity Framework'.

The decision text also reflected messages related to science and the urgency of keeping the 1.5°C goal within reach in paragraphs 9, 10 and 11.

[Together, the above five paragraphs reflected the 'high-level' messages that developed countries like the US, the EU, the EIG, the UK, Australia and Canada and a few developing country groups like AOSIS and AILAC were insisting on including in the decision on the mitigation work programme (MWP). Instead of being reflected in the MWP, those messages were reflected in the UAE dialogue text after those developed countries indicated in the MWP consultations that the messages, including a mechanism to follow up on the implementation of the GST, especially its paragraph 28, could be reflected in the UAE dialogue decision.]

At the closing plenary of COP 29, some Parties took the floor to express their disappointment with the UAE dialogue text proposed by the Presidency, following which the SBI was requested to continue consideration of this matter in its next session during SB 62.

At the closing plenary on the UAE dialogue decision

Chile, for AILAC, said 'the text that we have in front of us lacks a number of very important elements. For example, we believe that the text does not reflect adequately the tools and procedures that we need to have in place in order to achieve the most of the outcomes of the GST and inform adequately the indices that need to be presented next year. We believe ... that our standard procedure under our process would require the dialogue to have a report so everybody can understand what the dialogue was all about, to record the main ideas and to carry them forward to a decision that the CMA should take in order to make sure that we have continuity in our process. From our point of view, this is a standard procedure in our process and it would be particularly important to have those procedures in place for such a fundamental process like the GST. There is a key element in this ambition cycle that, in turn, is in the heart of the success of the PA ... in our view, the text does not enjoy consensus ... So we would like to register our views before you submit this for adoption of the CMA'.

Switzerland, for the EIG, said, 'We cannot support the draft decision as it is. It falls short of delivering a meaningful space to progress in our ambition. Last year, we took stock of our efforts to implement the PA and agreed on specific actions to take to fulfil at this COP. The proposed decision does not create such a meaningful action. We regret that the draft was significantly watered down by some to limit discussion of ... [elements] such as [the] energy transition. We are concerned to see attempts to backtrack from the commitments taken last year. Implementing the GST means first and foremost implementing them at home. It also means tracking progress in our collective commitment, having a space with sufficient time for meaningful exchanges and having the possibility to take forward the recommendation if necessary. We can and must do better next year.'

Australia, for the Umbrella Group, said, 'We are disappointed that some Parties have sought to slow or stymie discussions to take forward the ambitious calls from the GST outcome to triple renewable energy, double energy efficiency, and transition away from fossil fuels. However, the global momentum toward net zero is accelerating and is irreversible. Countries are already working to accelerate the deployment of renewable energy, grids and storage, and to capture the enormous economic opportunities and to provide better jobs

and futures for their workers and communities. We affirm our strong resolve to take forward the ambitious actions in paragraph 28 of the GST in our countries and through our ongoing discussions in this forum on the implementation of the GST.'

**AOSIS** and **Canada** also made similar statements expressing their disappointment with the proposed text on the UAE dialogue.

## Refinement of the logistical and procedural elements of the GST

Another GST matter that Parties dealt with was the consideration of what refinements, if any, needed to be made to the procedural and logistical elements of the modalities for the GST that were adopted in 2018 in decision 19/CMA.1. The Parties were expected to take lessons learnt from the conduct of the first GST that was held from November 2021 to December 2023 which resulted in decision 1/CMA.5 adopted in Dubai at COP 28.

The GST, under Article 14 of the PA and decision 19/CMA.1, is supposed to take place every five years, with the second one scheduled to start in November 2026 at COP 31 and conclude in November 2028 at COP 33. Under the modalities that were adopted in 2018, the GST has three components: information collection, technical assessment (which includes the conduct of a Technical Dialogue), and consideration of outputs (which is the political negotiations phase under which the Parties negotiate what the outcome of the GST would be). The GST's outcome is, under Article 14.3 of the PA, intended to inform Parties in updating and enhancing, in a nationally determined manner, their national climate actions and support and to enhance international cooperation.

At the negotiations under the SBs in the first week at Baku and under the COP 29 Presidency during the second week, significant progress was made by Parties in identifying some refinements that could be made.

Virtually all Parties agreed that there should be more time allotted to the political phase of the GST. In the first GST, Parties were not able to engage in actual negotiations with each other on the draft decision text and instead had to rely on the UAE COP 28 Presidency to develop the text and conduct bilateral discussions with various Parties and groups of Parties to determine the contents of the final decision.

Many Parties felt that ensuring the Partydriven nature of the GST required that the outcome should be negotiated and determined primarily by the Parties through political negotiations. There was also a large degree of convergence at the negotiators' level on highlighting the need to ensure that regional perspectives, especially from developing countries, would be given greater attention during the GST.

The negotiations at COP 29 on this agenda item, however, spent a lot of time over two key issues: (1) whether the technical assessment and the consideration of outputs could overlap; and (2) how to capture what the role of the Intergovernmental Panel on Climate Change (IPCC) and its Seventh Assessment Report (AR7) would be for the second GST.

The first issue was raised by the LMDC and supported by the Arab Group because of the need to ensure that the political negotiations phase would benefit from receiving the full set of reports and information coming from the technical assessment phase, hence the need to ensure that there was little or no overlap between these two phases. The LMDC for example called for the technical assessment phase to end in 2027 so that Parties can focus on the political phase in 2028. However, other Parties, particularly the EU, the Umbrella Group, the EIG, AOSIS and AILAC, felt that some overlap would be needed to make sure there would be space for information that may be coming from the IPCC in 2028 to still be considered during the technical assessment phase.

This issue was linked to the second issue on which there was significant divergence during the negotiations, i.e., the issue regarding the role of the IPCC and its AR7. The **developed countries** together with **AOSIS**, the **LDCs** and **AILAC** pushed for language that would in essence result in the COP/CMA recognising the IPCC as the source of the best available science on climate change and would request the IPCC to consider shortening its timelines for the preparation of the AR7 so that the report (including from its three working groups and its synthesis report) would then be available in time for the second GST in 2028.

The African Group, the LMDC and the Arab Group took the view that the IPCC is a source of such climate science but that there should also be equal recognition of other sources such as regional scientific organisations. These groups also argued that the COP/CMA should not be seen as pushing the IPCC to shorten its timelines simply to fit into the GST timeline, as that could compromise the ability of IPCC authors to produce robust reports. They highlighted that paragraphs 183–184 of decision 1/CMA.5 as well as decision 19/

CMA.1 already gave ample space for the IPCC and the scientific community to input into the second GST in a timely manner.

Towards the end of the second week, negotiators were starting to close in on negotiated language that would have addressed these issues and allowed for a full decision to be adopted. However, because of the pressure from the Presidency to conclude, the negotiators ran out of time and instead agreed, through a procedural decision adopted by the CMA, that they would resume discussion and negotiations under this agenda item at the subsidiary bodies' sessions in Bonn in June 2025 with a view to concluding the negotiations by then so that the decision can be adopted in Belem, Brazil, at COP 30.

## Annual report of the GST dialogue under paragraph 187 of the GST decision

Paragraph 187 of the first GST outcome mandated the Chairs of the SBs to organise an annual GST dialogue, which started in June 2024, 'to facilitate the sharing of knowledge and good practices on how the outcomes of the GST are informing the preparation of Parties' next NDCs', and requested the secretariat to prepare a report to be considered by the CMA in Baku in COP 29.

The secretariat's report itself was simply a factual summary of the discussions that took place during the dialogue in June 2024, and did not contain any recommendations.

There were two key issues under this agenda item that Parties had to negotiate during COP 29: (1) whether there should be a compilation of key messages coming out from the secretariat's report that should be attached to any decision by the CMA with respect to the report; and (2) whether the annual dialogue is a continuing mandate rather than being a time-limited one.

On the first issue, the **developed countries** together with **AILAC**, the **LDCs** and **AOSIS** pushed to have a list of key messages drawn from the secretariat's report and the dialogue discussions that would highlight some lessons learnt. On the

other hand, groups like the **Arab Group** and the **LMDC** stressed that there was no need for such key messages to be developed as it was up to each Party to decide for itself in a nationally determined manner how best to inform itself of the GST outcomes as it prepares its next NDC.

On the second issue, a big argument erupted between the **developed countries** together with **AILAC**, **AOSIS** and the **LDCs** on the one side and the **Arab Group**, the **LMDC** and the **African Group** on the other over whether paragraph 187 mandated a continuing series of annual GST dialogues or whether the mandate terminates.

The LMDC pushed for the annual GST dialogue to be considered as having been completed in 2024, since Parties were expected to already submit their next NDCs in 2025. They argued that since the mandate was simply to facilitate the sharing of knowledge and good practices on how the outcomes of the GST were informing the preparation of Parties' next NDCs, once Parties had prepared their NDCs, there was no longer any need for the dialogue to take place.

The groups that wanted the dialogue to be a continuing mandate argued that since not all Parties would be able to prepare and communicate their next NDCs by February 2025 (the deadline set for the communication of NDCs), there was still a need for the dialogue to take place as such sharing of knowledge and good practices would be useful for those that were still preparing their next NDCs. These groups also argued that even after all Parties had prepared their next NDCs, the annual GST dialogues should still continue as such sharing of knowledge and good practices would be useful for those Parties that might be thinking of updating their current NDCs.

The negotiations at the technical level could not be concluded due to hardened positions among the groups. This meant that Rule 16 of the UNFCCC's draft rules of procedure would be applied, such that this agenda item would be considered anew at the SBs during their session in June 2025 and at the CMA in Belem in November 2025.

## TWN

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## Loss-and-damage issues at COP 29: Parties to continue consideration in 2025

Kuala Lumpur, 3 December (TWN) – Loss-and-damage-related issues were not politically significant at COP 29 compared with previous COPs in Madrid (2019), Glasgow (2021), Sharm el-Sheikh (2022) and Dubai (2023).

Parties agreed to continue consideration of loss-and-damage issues next year.

This was largely because the major effort undertaken by developing countries beginning in 2013 in Warsaw to establish loss and damage as a major pillar of work in the multilateral climate regime by creating various constituted bodies had already largely succeeded: between 2013–16, the Warsaw International Mechanism (WIM) with its Executive Committee was established and operationalised; between 2019–23, the Santiago network with its Advisory Board and secretariat was established and institutionalised; and between 2021–23, the Loss and Damage Fund (LDF) with its Board and secretariat was set up.

The focus for developing countries in Baku relating to loss and damage was to shift to supporting the implementation by these bodies of their respective mandates and functions and to ensure that they acted in a coordinated and complementary manner.

There were two main agenda items related to loss and damage at COP 29: (1) the consideration of the 2024 joint annual report of the WIM Executive Committee and the Santiago network Advisory Board; and (2) the third WIM Review. During the negotiations in the first week of COP 29, these two items were discussed together because of their close connection with each other.

Entering into the negotiations at COP 29, the G77 and China had put forward some proposals relating to enhancing implementation, coordination and complementarity, accessibility

and outreach, as well as finance and other support. These included, for example, mandating the WIM Executive Committee to produce a global report on the state of play of loss and damage, and enhance the accessibility of its knowledge products through language translations; enhancing the role of national loss-and-damage contact points; ensuring that the Santiago network secretariat will have regional offices; requesting the loss-and-damage-related institutions (the WIM ExCom, the Santiago network and the LDF) to coordinate and work together; and having strengthened language on loss-and-damage financing.

The developed countries mainly wanted the conversation to focus on coordination and complementarity, and on accessibility and outreach.

However, the Parties were not able to have substantive negotiations on these issues and were not able to conclude their substantive consideration of actions to be taken under these agenda items.

A key issue that could not be resolved was the push by the **African Group** for any decision coming out of the consideration of these agenda items to include a request from the COP and the CMA (Conference of the Parties to the Paris Agreement) to the Santiago network Advisory Board to reassess its decision, taken at its first meeting in March 2024, to select Geneva as the host city for the Santiago network secretariat and to then report to the COP/CMA at COP 30 on its reconsideration of the decision.

The African Group argued that the Advisory Board did not comply with the mandate that was given to it by the COP/CMA at COP 28 to make such decision based on a cost-benefit analysis to be provided by the Santiago network's host agencies [United Nations Office for Disaster Risk Reduction

(UNDDR) and United Nations Office for Project Services (UNOPS)] on where the secretariat should be located. As such, on procedural and accountability grounds, the Advisory Board should be asked to reassess its decision.

Other Parties and groups of Parties argued that the COP/CMA should not reopen the Advisory Board's decision as it had fulfilled its delegated authority to duly consider the cost-benefit analysis when making its decision.

[At its March 2024 meeting in Geneva, the Advisory Board members had critiqued the host agencies' cost-benefit analysis as methodologically flawed as it did not comply with the mandate provided by the COP/CMA because the report incorporated criteria that were not referred to by the COP/CMA (such as time zones and ease of access), which in effect virtually automatically ruled out Latin American and Asia-Pacific cities from being considered as host cities.

[The Advisory Board then considered that the host agencies' cost-benefit analysis was not useful for their discussion and decided instead to consider whether there were other factors that they could look at in order to make their decision. Switzerland had officially put forward its offer to host the secretariat in Geneva, pledging more than \$2 million to cover the costs of hosting. As there were no other offers on the table, the Advisory Board took a consensus decision to accept the Swiss offer and decided to select Geneva as the host city.]

Since no major substantive issues under these agenda items could be negotiated or resolved in the course of the first week and the beginning of the second week, the Parties <u>decided</u> to continue their consideration of these items at the Subsidiary Bodies' session in Bonn in June 2025.

# TWN

# Baku Climate News Update 20

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## Some gains made on adaptation but gaps remain

Kuala Lumpur, 4 December (Eqram Mustaqeem) – At the recently concluded climate talks in Baku, there were some gains for developing countries on the matter of the global goal on adaptation (GGA) in the form of a substantive outcome. However, on matters related to national adaptation plans (NAPs) and the Adaptation Committee (AC) performance review, no substantive outcomes were possible given divergences between developed and developing countries and there were only procedural conclusions, with work being pushed to next year for further consideration under the UNFCCC's Subsidiary Bodies.

On the GGA agenda item, despite the strong resistance of most developed countries (with the exception of the United Kingdom) to any text referring to the means of implementation (MOI), the final decision adopted at COP 29 kept the text fairly intact, which is seen as an important win for developing countries.

Also significant from the Baku decision on the GGA is the establishment of the Baku Adaptation Roadmap to advance progress on the matter.

In addition, Parties also agreed to have the GGA as 'a standing agenda item' which 'will continue to be included in the agendas for the sixty-fourth (June 2026) and subsequent sessions of the subsidiary bodies [SBs] and the eighth (November 2026) and subsequent sessions of the Conference of the Parties ... to the Paris Agreement [CMA], unless otherwise specified by the [CMA]'.

(See further details below.)

#### Global goal on adaptation

The GGA agenda item can be separated into three parts which were all mandated through decision 2/CMA.5, also known as the UAE Framework for Global Climate Resilience (UAE Framework).

The first and most critical of the three is the UAE-Belem work programme (UBWP) on the development of indicators for measuring progress towards the seven thematic and four dimensional targets outlined in the UAE Framework for the GGA.

[The thematic targets of the GGA cover: (i) water, (ii) food and agriculture, (iii) health, (iv) ecosystems and biodiversity, (v) infrastructure and human settlements, (vi) poverty eradication and livelihoods, and (vii) protection of cultural heritage. The dimensional targets are: (i) impact, vulnerability and risk assessment, (ii) planning, (iii) implementation, and (iv) monitoring.]

The second is the continued consideration of paragraph 38 of the UAE Framework which outlines five key areas of focus: exchanging knowledge and experience on implementing the UAE Framework; identifying potential inputs for future global stocktakes related to achieving the GGA; enhancing understanding of risks and impacts from different temperature increases across different regions; collaborating with scientific bodies to support the implementation of the UAE Framework; and developing terms and a timeline for reviewing the framework. Work on these areas is expected to be completed by COP 30 in Belem. (Further details are provided below.)

The third part is on 'transformational adaptation', where Parties were invited to consider a <u>technical paper</u> on the matter prepared by the secretariat in line with paragraph 46 of the UAE Framework.

[Paragraph 46 of the UAE Framework reads: 'Requests the secretariat to undertake work to examine how transformational adaptation is defined and understood at different spatial scales and sectors, and how progress in planning and implementing transformational adaptation approaches might be assessed at the global level,

for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session (November 2024).']

## UAE-Belem work programme

On the UBWP, the key takeaway from the adopted <u>Baku GGA decision</u> pertains to the inclusion of MOI language despite staunch opposition from many developed countries.

Japan, Australia, New Zealand, the European Union and Canada vehemently opposed any inclusion of MOI indicators, on the basis that it was not part of the scope of the UBWP. The only exception was the UK, which expressed its openness to discussing and hearing from experts on the importance of such indicators.

Paragraph 10 of the adopted GGA decision provides further guidance for the experts in continuing the development of indicators and further refinement work. As per paragraph 10(d), they are to develop or identify from the current compilation, indicators for 'enabling factors for the implementation of adaptation action, including means of implementation'. Regular dialogues and workshops will be organised, as needed, to this effect.

Paragraph 10(d) reads: '10. Recognizes that further guidance is required for the experts ... and requests the Chairs of the subsidiary bodies to invite the experts to: ... (d) Develop, if needed, or identify from the compilation and mapping referred to in paragraph 1 above indicators for enabling factors for the implementation of adaptation action, including means of implementation.'

Through paragraph 21(g) of the same decision, it is decided that the final outcome of the UBWP should, amongst others, include quantitative and qualitative indicators for 'enabling factors for the implementation of adaptation action, including means of implementation'.

It is important to note that the phrase 'enabling factors for the implementation of adaptation action, including means of implementation' was introduced by the COP 29 Presidency, following a strong push from developing countries for clear language on MOI indicators in the decision text. The phrase was not present in an earlier Presidency text circulated on 22 November; in its place was the phrase 'enablers of implementation of adaptation action as referred to in paragraph 24 of decision 2/ CMA.5', which was a phrase from the Presidency in its attempt to build bridges between Parties on the highly contentious issue of MOI indicators.

[Paragraph 24 of decision 2/CMA.5 (from Dubai) read: 'Recognizes that means of implementation for adaptation, such as finance, technology transfer and capacity-building, are crucial to the implementation of the framework for the global goal on adaptation and also recognizes that factors such as leadership, institutional arrangements, policies, data and knowledge, skills and education, public participation, and strengthened and inclusive governance are also crucial to enabling the implementation of adaptation action.']

This earlier phrase met with much chagrin from **Kenya**, for the **African Group**, who released an <u>official media statement</u> reflecting on the 22 November Presidency text and calling for clear guidance on the inclusion of MOI indicators in the decision text.

On the face of it, the final phrase that was included in the adopted decision seems to be a blend between the much-repeated call from developed countries for enabling environments in developing countries for the implementation of adaptation, and developing countries' demands for MOI from developed countries. However, how the phrase is understood and reflected in the work on indicators by experts remains to be seen.

Another important outcome of the decision adopted is in paragraphs 19 and 20 as regards the UBWP.

In paragraph 19, it is decided that 'the final outcome of the UBWP should support an assessment of progress towards achieving the [GGA] targets ... and be consistent with Article 7.1 of the Paris Agreement and the temperature goal referred to in Article 2 of the Paris Agreement'.

(Article 7.1 of the PA states: 'Parties hereby establish the GGA of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal referred to in Article 2.')

Through paragraph 20 of the decision adopted in Baku, Parties have also decided that there should be a maximum of 100 indicators that are globally applicable, and that the menu of indicators can be chosen by Parties according to their national circumstances, whilst also enabling the measurement of progress towards achieving the seven thematic and four dimensional targets outlined in the UAE Framework.

Last October, at a mandated workshop on the indicators, technical experts refined a <u>compilation</u>

of over 5,300 indicators with 16,000 data entries. The Baku decision has now called for a maximum of 100 indicators that are globally applicable.

Paragraph 20 reads: 'Also decides that, noting the need to avoid placing an additional reporting burden on Parties, the final outcome of the UBWP may include a manageable set of no more than 100 indicators that:

- '(a) Are globally applicable with a view to informing an analysis of relevant global trends;
- '(b) Constitute a menu that captures various contexts of adaptation action, enabling Parties to choose which indicators they will report on in the light of their national circumstances;
- '(c) Are designed to enable assessment of progress towards achieving the different components of the targets referred to in paragraphs 9–10 of decision 2/CMA.5'.

A progress report of the work on indicators by the experts following further guidance provided in the decision adopted will be made available no later than four weeks before the next session of the Subsidiary Bodies in June 2025.

### Baku Adaptation Roadmap

Outcomes from the Baku decision in respect of paragraph 38 of the UAE Framework witnessed significant wins for developing countries.

[Paragraph 38 read: 'Requests the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) to initiate the consideration of matters relating to the GGA at their sixtieth sessions (June 2024)... with a view to providing recommendations for consideration and adoption by the CMA ... at its seventh session (November 2025), focusing on, inter alia:

- '(a) The exchange of knowledge, experience and information related to implementing the UAE Framework for Global Climate Resilience, including in relation to efforts to achieve the targets..., with the aim of fostering implementation;
- '(b) The identification of potential inputs to future global stocktakes related to achieving the global goal on adaptation, including by considering how the UAE Framework for Global Climate Resilience can facilitate the analysis of information required for assessing progress towards the goal;
- '(c) The enhancement of understanding of, inter alia, the risks and impacts associated with different temperature increases across different regions;
- '(d) The opportunities for building on the best available science, including collaboration with the Intergovernmental Panel on Climate Change (IPCC) and other organizations, to provide

information relevant to facilitating implementation of the UAE Framework for Global Climate Resilience, including in relation to the targets ...; to developing indicators, metrics and methodologies; and to identifying adaptation capacity gaps, challenges and the needs of developing countries;

'(e) The development of terms of reference for reviewing the UAE Framework for Global Climate Resilience, including the time frame for the review'.]

Firstly, the Baku GGA decision in paragraph 28 affirmed that the GGA 'will continue to be included in the agendas for the sixty-fourth (June 2026) and subsequent sessions of the subsidiary bodies and the eighth (November 2026) and subsequent sessions of the Conference of the Parties ... to the Paris Agreement'. Prior to this, the GGA as an agenda item was originally supposed to end at COP 30 next year as work under the agenda item concludes.

This outcome is a testament to the united push from developing countries to have the GGA as a standing agenda item ever since GGA talks in COP 28 last year, in the face of opposition from developed countries.

Further, the Baku GGA decision in paragraph 29 established the Baku Adaptation Roadmap, which was originally a proposal made by **Saudi Arabia** on behalf of the **Arab Group**. The roadmap is expected to advance progress in line with Article 7.1 of the PA, along with supporting the implementation of the elements under paragraph 38 of the UAE Framework.

The modalities of this new roadmap are yet to be developed, and Parties will be able to submit their written views on the matter and deliberate upon it in the next meeting of the Subsidiary Bodies in June 2025.

Lastly, in paragraph 38 of the Baku GGA decision, Parties decided to initiate consideration on the terms of reference for the review of the UAE Framework after the end of the UBWP, with the review itself to be conducted after the second global stocktake (which is expected to take place in 2028).

As there was not much input from Parties on paragraph 38 of the UAE Framework, consideration of the matter will continue in the next meeting of the Subsidiary Bodies in June 2025.

#### Transformational adaptation

Not much was decided on transformation adaptation in the Baku GGA decision. The only notable outcome was paragraph 40, which recognises that both incremental and transformational adaptation approaches are

essential for implementing the UAE Framework and achieving the GGA.

The lack of outcomes on transformational adaptation can be attributed to disagreements between Parties on whether to discuss the technical paper on transformational adaptation prepared by the secretariat, owing to the last-minute nature in which Parties received the paper. It was finally decided through paragraph 41 of the Baku GGA decision to continue consideration of the technical paper in the next session of the Subsidiary Bodies in June 2025.

### National adaptation plans

After much promise and high hopes amongst Parties in the first week of the Baku talks to come to a decision on NAPs at COP 29, the sense of optimism quickly deflated in the second week as Parties did not make much progress on the draft decision text despite intense negotiations.

Much of the NAP discussions in the second week were conducted in an 'informal-informal' setting where only Parties were allowed to enter. Only two informal consultations were organised, which were mainly on determining the status of the draft text in the procedural conclusion and the drafting of the procedural conclusion itself.

At the final informal consultation on 19 November, Parties agreed on having a <u>procedural conclusion</u>, which was to advance further work next year at the meeting of the Subsidiary Bodies in June 2025.

Prior to reaching agreement on the way forward, the treatment of the draft text had been a subject of contention, as developed countries only wanted the text from Baku to be considered as an informal note, whilst developing countries wanted it to be a draft text that Parties could continue to work upon at the next session of the Subsidiary Bodies.

The **Dominican Republic**, on behalf of the **Alliance of Small Island States (AOSIS)**, pointed out that if the Baku text was considered as an informal note, the situation that arose in Baku would be repeated. (In Baku, Parties had to spend substantial time deliberating on whether to use the informal note from the 60th session of the Subsidiary Bodies or have a new draft text; this took away precious time from discussions.)

Finally, a consensus was reached to take forward the draft text from Baku for consideration as part of the procedural conclusion.

The procedural conclusion reads: 'The Conference of the Parties requested the Subsidiary Body for Implementation to continue consideration of this matter at its sixty-second session (June 2025) on the basis of the draft text available on the UNFCCC website with a view to recommending a draft decision for consideration and adoption by the Conference of the Parties at its thirtieth session (November 2025).'

It is obvious from the draft text referred to in the procedural conclusion that clear lines were drawn between Parties. Through a united push by developing countries, language on the need for increased public finance for adaptation, and obligations and commitments of developed countries for finance, capacity-building and technology transfer under the UNFCCC and its PA was well reflected in the draft text. However, such language was bracketed by developed countries. The latter instead emphasised the role of the private sector for financing, planning and implementing NAPs, and stressed the need for enabling environments and conditions for implementing NAPs, which were in turn bracketed by developing countries.

The NAP agenda item has been stuck in a repeating loop of procedural conclusions for the last few years, with both Parties drawing clear red lines. The developed countries in particular have been blocking progress due to their resistance to any language on MOI and support to developing countries. It remains to be seen whether the agenda item will make headway in the next Subsidiary Bodies meeting in June 2025.

#### **Adaptation Committee**

There were two agenda items on the Adaptation Committee in Baku: the 'report of the Adaptation Committee' and the 'review of the progress, effectiveness and performance of the Adaptation Committee'.

In the <u>adopted conclusion</u> on the Adaptation Committee report, Parties welcomed the <u>2023</u> and <u>2024</u> reports of the Committee.

With regard to the Adaptation Committee review, Parties agreed to continue consideration of this matter at the next Subsidiary Bodies meeting in June 2025.

The Baku outcomes on the adaptation front are clearly a mixed bag of some gains for developing countries, but with gaps remaining especially on the means to implement adaptation actions.

## TWN

# Baku Climate News Update 21

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## Further guidance on features of NDCs to be discussed in 2026

New Delhi, 9 December (Radhika Chatterjee) – Parties at the Baku climate talks that ended on 24 November agreed to continue discussions on further guidance on features of nationally determined contributions (NDCs) in 2026, which will take place at the eighth Meeting of the Parties to the Paris Agreement (CMA 8).

This issue was discussed at CMA 6 in Baku under the agenda item 'Further guidance on features of NDCs...'. The mandate for the discussion stemmed from paragraphs 19 and 20 of decision 4/CMA.1 (adopted in 2016 in Morocco), which state: '19. Notes that features of NDCs are outlined in the relevant provisions of the Paris Agreement; 20. Decides to continue consideration of further guidance on features of NDCs at its [2024] session'.

The discussions were controversial, with key areas of divergence amongst Parties including: what constitutes NDC features, what kind of new features may be required for further guidance on NDCs, and timeline of further discussions on this item.

Developing countries like the Like-Minded Developing Countries (LMDC), the African Group, the Arab Group, Group SUR (Brazil, Ecuador, Paraguay and Uruguay), India and Egypt said NDC features were provided for in the PA and the nationally determined nature of NDCs was crucial. In terms of new features for NDCs, these groups wanted the following to be considered: guidance for adaptation, finance, technology transfer, capacity building, and impact of developed countries' response measures on developing countries. They also stressed the need for maintaining differentiation between developed and developing country NDCs.

Developed countries like the United States, the European Union, the United Kingdom,

Switzerland, Australia, Canada and Japan and some developing countries like the Alliance of Small Island States (AOSIS) wanted to consider the following for further guidance on NDC features: quantifiable targets; economy-wide absolute emission reduction targets for all countries; follow-up on the global stocktake (GST) outcomes from Dubai last year (paragraphs 28, 33, 38, 39 and 40 which relate to mitigation efforts were mentioned); aligning NDCs and long-term low greenhouse gas emission development strategies (LT-LEDS) with the 1.5°C goal; and clear baselines for emissions and peaking years. Developed countries like the UK argued that including quantifiable targets would make NDCs comparable and accountable.

Regarding the timeline for further discussions on this item, many like the African Group, India, Egypt, South Africa, Chile, Russia, Norway and South Korea were not keen on continuing discussions as they felt the features were already provided for by the PA. The African Group, India, Norway and Chile even suggested concluding the consideration of this item in Baku itself, while the US, the UK, the EU, Switzerland, AOSIS and the Least Developed Countries (LDCs) wanted further discussions.

Finally, Parties agreed to discuss this matter again in 2026, with no agreement on new features of NDCs.

#### **Highlights of interventions**

China, for the LMDC, said NDC features were a summary of characteristics of NDCs and any discussion on this topic should not prejudge the work of Parties. It added that not all Parties could include targets in their NDCs; rather, they included policies and measures. It said the mandate for further guidance on NDC features did not imply

that Parties should 'continuously renegotiate the PA' and that it was also not about a follow-up or duplication of the GST.

Outlining some key features of NDCs, it said Article 4 of the Convention and Articles 3, 4.4 (mitigation), 4.5 (support provided to developing countries for their actions), 7 (adaptation), 9 (finance), 10 (technology) and 11 (capacity building) of the PA constituted the features of NDCs. It called the nationally determined nature of NDCs the most crucial feature, according to which it was up to Parties to determine what their actions should be in a bottom-up manner. The scope of NDCs, it said, was laid out in Article 3 of the PA, according to which NDCs covered aspects relating to mitigation, adaptation, finance, technology development and transfer, capacity building and support. Together, these components made NDCs a holistic document, and mitigation was not the only focus of NDCs. It stressed that the PA 'already provides guidance for NDCs', and therefore any new features for NDCs 'should be rooted in the PA itself' and not undermine it.

(Article 3 of the PA states: 'As nationally determined contributions to the global response to climate change, all Parties are to undertake and communicate ambitious efforts as defined in Articles 4, 7, 9, 10, 11 and 13 with the view to achieving the purpose of this Agreement as set out in Article 2....' Article 13 refers to the enhanced transparency framework for action and support.)

China said further that ambition needed to be seen not only in mitigation but also in the provisioning of finance, technology development and transfer, capacity building and support. It added that the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) provided for the significant role of enhanced support for ambitious mitigation and adaptation actions, and that enhanced support would allow for higher ambition and action. Further, it said Article 4.15 of the PA provided that NDCs had to take into 'consideration in the implementation of this Agreement the concerns of Parties with economies most affected by the impacts of response measures'.

Stressing the need for differentiation in the NDCs of developed and developing countries, it said that developed countries 'shall continue taking the lead' by undertaking 'economy-wide emission reduction targets' and that their NDCs 'shall include ... laws, policies and measures' such that they 'demonstrate their leadership' and provide support to developing countries. Regarding technology

development and transfer, and capacity-building components of developed country NDCs, it said they 'shall include quantifiable plans' and policies towards these purposes. It added that developed countries' NDCs 'should not include any unilateral measures against goods from developing countries'.

Developing countries' NDCs, it said, should be prepared and communicated in the context of goals of sustainable development and poverty eradication and their different national circumstances. Highlighting the importance of cobenefits of mitigation, it said developing countries' plans for diversifying their economies could accelerate their mitigation plans.

Responding to calls from developed countries for including economy-wide absolute emission reduction targets in the NDCs of all countries, it said, 'If one day all Parties could provide economy-wide emission reduction targets, then we can have that as a feature. But even if one Party is not able to give that, we cannot have that as a feature.' Related to this was the argument of comparability of NDCs that was advanced by developed countries. To this, the LMDC expressed its reluctance for 'a top-down approach', and stressed that the nationally determined nature of NDCs meant that comparability could not be pushed.

Zimbabwe, for the African Group, said existing guidance for NDCs was sufficient, and if new features for NDCs were considered, they should 'focus on all elements that form NDCs and their enablers [including] mitigation, adaptation, finance features ... new guidance [should] be around how NDCs can be supported through finance'. Elaborating further in a later session, it said there was a need for guidance on 'means of implementation and adaptation', which would 'help unlock financing'. Further, it wanted consideration of loss and damage in the discussion, and of how Parties could articulate their technology needs to make the discussion holistic.

Saudi Arabia, for the Arab Group, outlined several general principles. First, 'nothing would infringe on nationally determined nature of NDCs', it said, stressing that 'the PA sets the roadmap for what features ought to be' and that its elements should not be redefined. The second principle it mentioned was that any element related to information for clarity, transparency and understanding (ICTU) of NDCs would be addressed in the next few years and was not within the mandate of this session, as most of ICTU was

related to the mitigation component. (According to paragraph 18 of decision 4/CMA.1, the review of ICTU is scheduled for 2027.)

It further said that paragraph 19 of decision 4/CMA.1 provided that the PA 'is the original guidance on NDCs' and that 'nothing in further guidance can be developed which contradicts the PA'. It stated that Article 4.4 of the PA 'indicates that developed countries should take the lead', and that 'this is a clear feature of NDCs of developed countries but not of developing countries'.

'Article 3 of the PA represents the roadmap for features of NDCs,' it said, adding that 'NDCs are not mitigation vehicles solely' and mentioning Articles 4, 7, 9, 10, 11 and 13 of the PA in this context. It said there was a need to discuss 'how are we building on Articles 3, 7, 9, 10, 11 of the PA in our NDCs' and stressed 'a lot of work on adaptation, finance, technology, capacity building' was required to 'ensure we are progressing collectively'. In a later discussion, it added that 'further guidance will follow from the comprehensive implementation of Article 3 of the PA' and that Article 3 was not 'just about refining targets'.

It highlighted the need to include 'elements on how we are adapting consistently with the temperature goal', including aspects that emerged from the global goal on adaptation. It added that features related to adaptation support could include 'specifications of some of the support requirements, costs by region, sector, adaptation needs'. In this context, it also mentioned 'elements related [to] institutional strengthening requirements ..., technology elements including technology transfer needs [and] potential benchmarks for link with financial support'.

It said 'elements related to guidance on finance features of NDCs would apply to developed countries'. These would include 'finance targets, pledges, commitments [and] could also include finance provided for technology access [and] for accelerating the sharing of best practices' and 'could relate to technology, adaptation, mitigation and strengthening institutional arrangements of developing countries'. It also mentioned that NDC features should take into account impacts related to response measures.

India said the PA mandated that NDCs were voluntary in nature and that there was no 'further scope to provide any guidance to NDCs'. It said nothing in decision 1/CP.21 provided for expanding the scope of NDCs. The role of the GST was to inform NDCs, it said, but 'what Parties

choose to do with the information is guided by the PA'. It added that the purpose of this discussion should not be 'to introduce any top-down element in NDCs'. In response to suggestions by some developed countries, it said that proposed NDC features were 'now becoming an entire list of all possible mitigation actions', emphasising that 'this is not the space for such guidance'.

Expressing strong inclination for closing discussion on this item at COP 29, it said 'you would have to be very careful that you do not disturb the nationally [determined]/voluntary character' of NDCs. Said India further, 'The moment we open the discussion Parties start dictating targets ... If Parties want discussion on top-down restrictions on Parties' commitments, that discussion is not about features of NDCs. We would be delighted to have a discussion on how the fair shares of carbon budget [are] undertaken, issues of historical responsibility, overconsumption of carbon budget, adequacy of net zero emissions etc ... but please do not call these features of NDCs.'

Responding to the point made by developed countries about the importance of quantification of mitigation aspects in NDCs, India said that quantification was related to ICTU, which would be discussed in 2027. It added that 'if features spill over into ICTU', then 'that is not [the] mandate we are working on'.

**Egypt** said the PA was the reference for NDC features guidance and 'it clearly defines key features of NDCs'. It said Article 4 of the PA already provided sufficient features on mitigation and that there was now a need for further features on adaptation, finance, means of implementation, and loss and damage.

Chile said the framework and process guiding NDCs was established under the PA, and proposed a sunset clause on the discussion because it felt having too many agenda items was 'getting unmanageable'. It said there was a need to consider 'whether we need further guidance on NDC features' and 'whether our work is done here', asking, 'If a system works, then why is additional guidance needed?'

It said 'we have already done much of that job ... we have agreed on common timeframes; the PA establishes that NDCs [are] to be submitted by every country, every five years [as] vehicles for achieving the long-term goals of the PA'. It added that Parties could enhance their ambition and cooperation but this 'should not be based on new features that everybody would need to comply with'.

In a later session, Chile said that 'features of NDCs are defined in the PA and associated decisions ... [there is] no need to include definitions of further features of NDCs'. It said 'it would be interesting to discuss more about aggregate effects of NDCs and how we can individually contribute to the NDCs, how we can continue contributing to the long-term goals of the PA, [but] that is another discussion'. It also said that 'most developing countries have included an adaptation component in their NDCs. It would be of benefit to reflect on what type of voluntary guidance can be developed for adaptation ... what type of guidance can we expect for NDCs in terms of provision of funds'. Noting that there had been a discussion around voluntary guidance for ocean components and that many coastal countries had included ocean components in their NDCs, it stated that it 'would be good to include guidance for them'. Regarding comparability of NDCs, it said the common ground for making NDCs comparable was the fact that Parties 'are producing documents that are common'.

Brazil, for Group SUR, said that the PA 'contains all of the features to NDCs' and that Parties 'need to be very clear [that] we are not here to renegotiate the PA'. It stressed that the 'nationally determined nature of NDCs is non-negotiable' and that Article 3 of the PA provided for this. It said that discussion on further guidance for NDCs should integrate aspects related to not only mitigation but also connect the 1.5°C goal to adaptation, finance, technology transfer and capacity building, adding that 'these are not present in our current NDCs'.

Regarding mitigation, it said if the will existed amongst Parties, then negotiations on how to globally align policies to the 1.5°C goal could be started. It said 'we expect developed countries to go first' and mentioned the need to reflect equity and CBDR-RC. Recalling Article 4.4 of the PA, it said 'developed countries should continue to take the lead by undertaking economy-wide absolute emission reduction targets' and that it was a legal obligation for them.

It also said that 'the recent increase in global temperatures and various scientific scenarios' showed the need for 'urgent collective action'. It mentioned that the PA provided for a progression over time, 'recognising the need to support developing countries for effective implementation of the PA'.

It said COP 29 'could provide an opportunity to include finance from developed to developing countries as a key feature' of NDCs, and

mentioned Article 9.1 of the PA which stated that developed countries shall provide developing countries with financial resources with respect to both mitigation and adaptation. It added that the 'GST recommends Parties should cooperate to set up an open international economic system [and that] measures taken to combat climate change, including unilateral ones, should not constitute arbitrary [and] discriminatory measures' and that trade components of Annex I Parties' climate actions 'can have negative cross-border impacts'.

Bangladesh, for the LDCs, said more clarification and elaboration were needed for some of the existing features of NDCs. It said there was a need for information around enhanced support for developing countries to allow for progression in their NDCs. It also said that responding to the outcome of the first GST was important, such as the question of how NDCs would be informed by the outcome. It asked for alignment between Parties' NDCs and LT-LEDS. It said there was a need for guidance related to alignment with the 1.5°C goal, and also raised the issue of addressing the finance gap to address the mitigation gap. It also stressed the need to consider the special circumstances of LDCs and SIDS and asked for inclusion of 'information related to capacitybuilding support that our countries have got so far' for enhancing their 'emission reduction targets'. It added that 'there should be some information related to adaptation, loss and damage support components' as well. It encouraged Parties which were 'capable of providing' information related to 'absolute emission reductions' to do so.

Samoa, for AOSIS, called for 'strengthening targets in new NDCs' in alignment with the 1.5°C goal and for 'more ambitious NDCs'. Some of the key principles for further guidance for NDC features it brought up included economy-wide emission reduction targets covering all greenhouse gas (GHG) emissions, informed by the latest science and in light of national circumstances. It also highlighted the need to discuss how Parties would implement the GST outcome.

Stating that 'it is very important that NDCs remain nationally determined', it added that 'NDCs are our contributions towards agreed global targets ... the most important feature [of NDCs] is the collective ambition in them'. It said that Parties' current NDCs were falling short of the call for achieving net zero by 2050 and stressed additional guidance for NDC features 'will not impact submission of NDCs in 2025'. It said future NDCs should be informed by the GST outcome, and

mentioned the need for tripling renewable energy, doubling energy efficiency, transitioning away from fossil fuels, reducing methane emissions and addressing deforestation in this context. It also said 'the ability to provide more detailed existing features and new features would depend on Parties' capacity to do so'.

Regarding the timeline of the discussion on NDC features, it supported an early discussion and asked for continuing consideration of this item at CMA 7. 'Earlier consideration of NDC features is preferable to avoid further delays in this process. AOSIS is concerned if this is pushed to 2026 or 2027, any guidance that comes from them would be too late for NDC submissions due in 2030.' It added that the issue of NDC features was 'more important for AOSIS because we need more time to ensure capacity building' so that the group's members could take new guidance into account in the preparation of new NDCs. In a later session, while emphasising the urgency of mitigation action, it said 'such ambition is only possible with support' and that 'developing countries need maximum support'.

Switzerland said it understood NDC features to be the 'boundary conditions' and that 'pure national determination does not deliver a coherent international regime'. Adding that it had conducted an analysis of potential new ideas, it said 'NDCs need to be quantified in terms of CO2 [carbon dioxide] equivalent' and that there was no guidance for this as of now. It said that '95% of Parties' already provided 'quantified targets' and that 'this could be a landable feature'. Further, it said, 'we would like to see Parties put forward economy-wide absolute emission reduction targets [that] would bring significant contribution'. It also said it 'would like to see guidance on NDCs being 1.5°C aligned' and 'to revisit and strengthen their 2020 target'. Highlighting the need for aligning NDCs and LT-LEDS, it said 'there is already quite some progress' in this and aspects like 'year of peaking of emissions [and] net zero targets' could also be included. It said that 'when formulating mitigation contributions, Parties should follow the most recent IPCC [Intergovernmental Panel on Climate Change] guidance'. It said that 'there is a small number of Parties who have fully conditional NDCs', calling this 'problematic', although it was willing to look at potential conditions for LDCs and SIDS.

It said there were some areas with a 'massive ambition gap' and that 'in some places the system is not working', expressing the need for additional 'soft guidance' for 'preparation of stronger NDCs'. At the same time, it said, 'when we talk about features or discussions on further guidance of NDCs [it] doesn't have to be legally binding'. Highlighting NDCs' relevance as 'climate policy planning in many countries', it asked for a discussion on 'how NDCs should be underpinned by strong measures' and said that 'means of implementation can support NDCs'.

The EU said that 'NDC features can increase ambition' and allow for 'displaying highest possible ambition over time'. It said that it 'sees value in addressing economy-wide absolute emission reduction targets, aligning NDCs with net zero strategy by 2050, to keep 1.5°C within reach'. It also mentioned that the GST outcome 'provides us with further information on mitigation elements' that could be taken up. It said that NDC features 'cannot impact the nationally determined manner of NDCs ... based on our analysis of process as such, and GST of last year, we are convinced that there is space where Parties can provide further guidance to NDCs without impacting the bottomup nature of NDCs'. It said that 'guidance on features that we are providing here can help' in a 'nationally determined response to implementation of the PA'.

The UK said that guidance from the UAE Consensus (decisions taken in Dubai in 2023) asked Parties to 'come forward with NDCs which are ambitious', and stressed the need for economywide absolute emission reduction targets. It said using these targets would make NDCs 'comparable, transparent ... and accountable', and this would allow for more action. Elements it mentioned for consideration as NDC features included 'quantifiability', 'clear baselines' and 'peaking years'. It added that there was a need for aligning NDCs and LT-LEDS to ensure 'we are all on path to net zero'.

The US said the PA 'is the basis for all work on NDCs', and that the 'nationally determined nature of NDCs is of primary consideration'. It said that 'NDCs are now in the main quantified, largely unconditional, have base years [and] economywide absolute emission reduction targets', and mentioned the GST outcome as providing 'great guidance' for NDCs. It said that while Article 4.4 of the PA stated that developed countries should take the lead, it also stated the need for developing countries to progress on their NDCs. Some NDC features the US said it would like to be considered were a quantified nature, unconditional aspects of NDCs denominated in terms of GHG emissions,

economy-wide emission reduction targets and the need for aligning LT-LEDS towards net zero around mid-century. It added that 'when we talk about [NDC] features, we are talking about NDC targets'.

Other developed countries like **Australia**, **Canada** and **Japan** voiced similar views to those of the US and EU.

**Norway** and **South Korea**, however, were not in favour of providing further guidance for NDC features.

With the wide divergences on the matter, Parties finally agreed to consider this issue further in 2026.

(The next NDCs are supposed to be communicated by February 2025 for the timeframe 2031–35.)