TWN Climate News Updates

Published by Third World Network Berhad (198701004592 (163262-P)) 131 Jalan Macalister 10400 Penang, Malaysia Website: www.twn.my

Bonn Climate News Updates

(June 2025)



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NOTE

This is a compilation of News Updates prepared by the Third World Network for and during the June UN Climate Meetings – encompassing the 62nd sessions of the Subsidiary Body for Implementation (SBI 62) and the Subsidiary Body for Scientific and Technological Advice (SBSTA 62) – held in Bonn, Germany, from 16 to 26 June 2025.

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Bonn Climate News Update

16 June 2025

www.twn.my Published by
Third World Network

Climate talks take place amidst world in turmoil

Bonn, 16 June (Prerna Bomzan and Meena Raman) – The 62nd sessions of the United Nations Framework Convention on Climate Change (UNFCCC)'s Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA) are convening in Bonn, Germany, from 16 to 26 June 2025, presided over by SBI Chair Julia Gardiner (Australia) and SBSTA Chair Adonia Ayebare (Uganda). The intersessional meeting of the Subsidiary Bodies (SBs) will advance work on the decisions adopted last year in Baku, Azerbaijan, under the Conference of the Parties to the UNFCCC (COP), the Conference of Parties to the Kyoto Protocol (CMP) and the Conference of Parties to the Paris Agreement (CMA), paving the way for the next set of decisions to be taken at the annual climate talks (COP 30) scheduled for November this year in Belem, Brazil.

The Bonn talks are taking place against the backdrop of much turmoil on many fronts – from having experienced the "ten warmest years on record" as recently reported by the World Meteorological Organisation, with a "70% chance that 5-year average warming for 2025–2029 will be more than 1.5°C", to a chaotic world order with a full-on assault on "multilateralism" and "international cooperation" unleashed by the United States Trump presidency with an ongoing tariff war on the trade and economic front, and an utter failure by governments to stop the continued crimes against humanity in Gaza and the West Bank committed with naked impunity in violation of international law.

With 2025 marking the 10th anniversary of the adoption of the Paris Agreement (PA), we ironically see the largest historical and current per capita emitter, the US, pulling out of its multilateral

commitments and going rogue with continued fossil fuel expansion. Also, the climate agenda is on the backburner in many other developed countries as they continue with their own fossil fuel expansion, turning their backs on their "historical responsibility" and their legal obligations to pay back the climate debt owed to developing countries and the peoples of the Global South. Many major developed countries are diverting their financial resources to military spending and defence, instead of providing more funds for climate finance and development assistance.

In the aftermath of the <u>weak decision</u> adopted last year at COP 29 in Baku on the new collective quantified goal (<u>NCQG</u>) on climate finance for developing countries (assailed by many as an "insult" and a "joke" on developing countries), there is more than ever an urgent need for genuine multilateralism, international cooperation and good faith to deliver on climate action and support, remaining true to the commitments made under the UNFCCC's climate regime.

On 6 June, the SB Chairs released a joint note giving an overview of their proposed approach to the Bonn sessions, expressing commitment to supporting Parties in "swiftly advancing mandated technical work across the extensive agendas of the SBs, in concluding work where possible and in laying the groundwork for the delivery of robust outcomes" at COP 30.

Meanwhile, the incoming COP 30 Brazilian Presidency's third letter to Parties of 23 May underlined its priority "to reinforce multilateralism and the climate change regime under the UNFCCC", and in Bonn, it will be convening a "day zero" of informal consultations with heads of delegation (HoDs) of Parties on 15 June, a day prior to the opening of the official talks. The letter

states, "We invite HoDs to engage in constructive and substantive exchanges to help catalyze progress on outstanding negotiating issues. Special focus will be given to: (i) the Global Goal on Adaptation (GGA) indicators under the UAE-Belem work programme, (ii) the UAE dialogue on implementing the GST (global stocktake) outcomes, and (iii) the UAE Just Transition Work Programme (JTWP)."

Some of the key issues in the spotlight at SB 62 are set out below.

Adoption of provisional agendas

In the supplementary provisional agendas of the SBs dated 5 June, two new matters have been included at the request of Bolivia, for the Like-Minded Developing Countries (LMDC), viz.: (i) "Implementation of Article 9.1 of the Paris Agreement" on the mandatory obligations of provision of finance by developed to developing countries, and (ii) "Promoting international cooperation and addressing the concerns with climate change-related trade-restrictive unilateral measures" [which include the carbon border adjustment mechanism (CBAM) adopted by the European Union (EU), and similar proposals by the United Kingdom (UK) and Canada]. How these two proposed agenda items will be treated by the SB Chairs for adoption will be closely watched, given that they are likely to be contested by developed countries on the opening day on 16 June.

Matters relating to adaptation

This year is very significant for adaptation-related items. There are five agenda items under adaptation: (i) GGA, (ii) national adaptation plans (NAPs), (iii) the Nairobi work programme, (iv) review of the Adaptation Committee, and (v) guidance relating to Adaptation Communications.

At COP 29 in Baku, by decision 3/CMA.6, there were some gains made with a substantive outcome under the GGA, in particular, to have the GGA as a "standing agenda item", with the adoption of the Baku Adaptation Roadmap to advance the GGA work under the UAE Framework for Global Climate Resilience; and the inclusion of "means of implementation" in the UAE-Belem work programme on the development of indicators for measuring progress achieved towards the GGA's seven thematic and four dimensional targets. These were key demands by developing

countries. (The GGA thematic targets cover water, food and agriculture, health, ecosystems and biodiversity, infrastructure and human settlements, poverty eradication and livelihoods and protection of cultural heritage, while the dimensional targets are impact, vulnerability and risk assessment, planning, implementation, and monitoring, evaluation and learning.)

However, huge gaps remained on the rest of the adaptation agenda items, especially on the very important issue of NAPs, with only a procedural decision to continue further work at SB 62. The NAPs agenda has seen a history of stalled negotiations due to fundamental divergences between developing and developed countries over anchoring means of implementation in the decision, consistently blocked by developed countries led by the US. (See TWN Update.)

GGA: UAE-Belem work programme on indicators

In Bonn, the most critical GGA issue is the progress of work on the development of indicators under the UAE-Belem work programme, which is seen as a key COP 30 outcome.

Paragraphs 26–27 of decision 3/CMA.6 from Baku last year requested the SB Chairs to invite the technical experts to commence their work on further refining the indicators, addressing gaps and developing new indicators, produce a consolidated list of indicator options for Parties and a progress report to be published before SB 62, finalise and submit their inputs to the technical reports, including recommendations on the indicators, to be published by the secretariat prior to the workshop to be held in conjunction with SB 62; and the secretariat to publish the outputs prior to SB 62.

The <u>progress report</u> by the technical experts, published on 23 May, contains a link to the <u>consolidated list of indicator options</u> for consideration at SB 62, which now comprises a total of "490 indicators", down from over 9,000 in the pre–CMA 6 mapping. It also provides an update on the technical work undertaken on the indicators since CMA 6, which includes the expert <u>reports</u> on the thematic and dimensional targets, and the <u>summary report</u> of the mandated <u>workshop</u> conducted on 21–22 March this year. The <u>technical report</u> covering the work of experts since CMA 6 and May 2025 provides an overview of the challenges and gaps identified by the experts, as well as their suggestions on the way forward.

The negotiations in Bonn will centre around the critical issue of addressing the huge number

of "490" indicators contained in the experts' consolidated list, given paragraph 20 of decision 3/CMA.6 which noted the "need to avoid an additional reporting burden on Parties" and decided that the final outcome of the work programme "may include a manageable set of no more than 100 indicators".

The next steps of advancing work during the intersessional period between SB 62 and CMA 7 will also be an aspect of the discussions. In terms of the quality of indicators, a potential debate could ensue on the "means of implementation" (MOI) indicators – whether they will truly reflect the UNFCCC principles and provisions of delivery of MOI from developed to developing countries. There will also be a mandated hybrid workshop to take stock of the progress of work on the indicators by technical experts that will be held on the first day of the talks on 16 June. A concept note provides the approach and the proposed agenda of the workshop.

GGA: Baku Adaptation Roadmap

The other key issue is to advance work to "develop the modalities" of the adopted Baku Adaptation Roadmap which aims to advance progress in line with Article 7.1 of the PA and support the implementation of the elements of paragraph 38 of decision 2/CMA.5 which adopted the UAE Framework for Global Climate Resilience to guide the achievement of the GGA. Submissions on the roadmap can be found at the UNFCCC submission portal.

GGA: Transformational adaptation

In Dubai in 2023, in relation to the GGA, via decision 2/CMA 5 (paragraph 46), a request was made to 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 in Baku at CMA 6. However, many Parties were not ready to discuss this matter, given the complexity of the technical paper prepared by the secretariat and its late submission. At CMA 6, Parties took note of the technical paper and requested the SBs to continue consideration of this matter at SB 62. The secretariat was also tasked "to prepare a reader-friendly summary" of the technical paper, which was published in April.

In Bonn, how this matter will advance will have to be seen.

National adaptation plans

With only a procedural decision adopted in Baku, requesting SBI 62 to continue consideration of the matter on the basis of a "non-consensus" draft text with a view to recommending a "draft decision" for consideration and adoption by COP 30, negotiations in Bonn are expected to be difficult, given the dogged stance of developed countries to exclude addressing the MOI for the formulation and implementation of the NAPs of developing countries. Whether this obstinate stance of the developed countries will change remains to be seen.

Just Transition Work Programme

At COP 29 in Baku, with no consensus on the draft Presidency text, only a procedural decision was announced at the closing plenary, to continue consideration of the matter at SB 62 with a view to recommending a draft decision for consideration and adoption by CMA 7 in Belem. The bone of contention is the "scope" of the work programme, with divergences between developed and developing countries - the former pursuing efforts to narrow the scope, contrary to the broad elements contained in paragraph 2 of decision 3/ CMA.5, which were warded off by developing countries in Baku. Developed countries want the focus to be mainly about the workforce in relation to the energy transition, while developing countries insist on a focus covering all dimensions including mitigation, adaptation, sustainable development and poverty eradication as well as international cooperation as an enabler of just transition pathways to achieve the PA goals.

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. Developed countries in the JTWP consultations also wanted to delete references in the draft Presidency text to the UNFCCC, 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 TWN Update.)

With regard to the mandated third global dialogue that was held from 22–23 May in Panama

City, Panama, the focus was on "Approaches to enhancing adaptation and climate resilience in the context of just transitions". The concept note for the dialogue covered a detailed agenda with discussion rounds focused on peoples and communities, economic drivers and workforce, enabling systems and protection, climate finance and international cooperation, innovation and technology transfer, capacity building and knowledge sharing, building on synergies under and outside the UNFCCC process, and identifying concrete and actionable outcomes for the JTWP.

At SB 62, how the JTWP will advance work will be closely watched, and what the starting point of the negotiations will be remains to be seen.

Global stocktake

There are three agenda items under the global stocktake, stemming from the outcomes of the first GST adopted by decision 1/CMA.5 at COP 28 in Dubai, namely: (i) UAE dialogue on implementing the GST outcomes, referred to in paragraphs 97 and 98 of the decision; (ii) the annual GST dialogue and its report, referred to in paragraph 187 of the decision; and (iii) refinement of the GST process, referred to in paragraph 192 of the decision.

At COP 29 in Baku, there was no consensus on all three matters. Rule 16 of the UNFCCC's draft Rules of Procedure was applied to the UAE dialogue and the annual GST dialogue. (Rule 16 provides that any agenda item whose consideration is not completed "shall be included automatically" in the agenda for the next session, unless decided by the COP.) On the refinement of the GST process, a procedural decision was adopted to continue negotiations at SB 62 in Bonn based on the informal note by the co-facilitators in Baku. (See TWN Update.)

UAE dialogue

In paragraph 97 of the first GST decision, which was under the "Finance" heading of the "Means of implementation and support" section, it was decided to "establish the UAE dialogue on implementing the GST outcomes". Further, paragraph 98 decided that the UAE dialogue would be operationalised starting from CMA 6 (2024) and conclude at CMA 10 (2028), requesting SBI 60 to "develop modalities for the dialogue" for consideration by CMA 6.

Since SBI 60, negotiations have proven very controversial and difficult, with persistent divergences over the "scope" of the dialogue – notably, whether the focus should be on implementation of the "finance"-related elements of the GST outcomes or whether there should be a wider focus covering implementation of "all elements" of the GST outcomes, the latter approach mainly driven by developed countries who want a focus on paragraph 28 of the GST decision containing language on "transitioning away from fossil fuels".

At COP 29 in Baku, the draft decision text proposed by the Presidency for final consideration did not see consensus. This was so, despite protracted negotiations that saw huge concessions by some Parties to accommodate a broad scope to "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". The delicate draft decision was rejected by some Parties led by developed countries at the closing plenary due to the absence of any reference to the preparation of an "annual report", seen by proponents as a means of "tracking" the implementation of the GST outcomes, particularly the implementation of paragraph 28 of the GST decision.

At SB 62, Parties will have to decide on the way forward on this matter. Whether the draft decision text by the COP 29 Presidency from Baku could be a starting point for further negotiations remains to be seen.

Annual GST dialogue

Paragraph 187 of the first GST decision, under the "Guidance and way forward" section, requests the SB Chairs to "organise an annual GST dialogue" "to facilitate the sharing of knowledge and good practices on how the outcomes of the GST are informing the preparation of Parties' next nationally determined contributions (NDCs) in accordance with the relevant provisions of the PA", and also requests the secretariat to prepare a report for consideration at the subsequent session.

At COP 29 in Baku, Rule 16 was applied to the <u>report</u> of the first annual GST dialogue held during SB 60 in 2024, with the <u>draft text</u> reflecting contestations over whether there should be key messages and substantive elements drawn from the summary report prepared by the secretariat, the timing of subsequent dialogues, and whether there should be a continuation or termination of the dialogue itself.

On 30 April, the SB Chairs conducted virtual informal consultations to discuss the organisation, topics and summary report of the second annual GST dialogue, which basically saw positions of Parties and their groupings remain intact, as reflected in the proceedings contained in the SB Chairs' concept note which also lays out the organisation of the second dialogue – which is specifically titled the second GST "NDC" dialogue and is scheduled for 19–20 June, open to all Parties and non-Party stakeholders.

Refinement of overall GST process

The first GST took place in Dubai at COP 28 in 2023. The second GST will need to conclude in 2028, with the process for inputs commencing in 2026 and the technical assessment taking place from 2027 to 2028.

Paragraph 192 of the first GST decision, under the "Guidance and way forward" section, decided that "consideration of refining the procedural and logistical elements of the overall global stocktake process on the basis of experience gained from the first global stocktake" shall commence at SB 60 and conclude at CMA 6. With only a procedural CMA 6 decision reached in Baku to continue consideration of the matter at SB 62 based on a "non-consensus" informal note by the co-facilitators, the Bonn negotiations will revisit the most contested issues captured in the annex to the informal note, which deals with the preparation of inputs, technical assessment and consideration of outputs. One sticky issue is over the inputs to be provided by the Intergovernmental Panel on Climate Change (IPCC) in relation to its Seventh Assessment Report which is currently under preparation.

Matters related to finance

The joint COP 29 and incoming COP 30 Presidencies will convene open consultations with Parties and non-Party stakeholders on the "Baku to Belem Roadmap on 1.3T" referred to in paragraph 27 of NCQG decision 1/CMA.6 in relation to the aspirational target (contained in paragraph 7 of the decision) of scaling up financing to developing

countries to "at least USD1.3 trillion per year by 2035". How this scaling up will happen will be a closely watched process. The Presidencies are expected to produce a report at COP 30.

There are also two mandated events relating to finance in Bonn: (i) first workshop in 2025 under the Sharm el-Sheikh Dialogue on Article 2.1(c) of the PA and its complementarity with Article 9, and (ii) the third biennial in-session workshop on information to be provided by Parties in accordance with Article 9.5 of the PA. [Article 2.1(c) relates to making "finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development". Article 9 in general refers to the obligations related to the provision and mobilisation of finance for developing countries, and Article 9.5 requires developed countries to biennially communicate indicative information about their financial resources to developing countries.]

The other important matter is in relation to the Adaptation Fund. In Baku, decision 2/CMP.19 and decision 13/CMA.6 requested SBI 62 to consider the matter of the arrangements for the Adaptation Fund to exclusively serve the PA and to make recommendations on this matter for consideration at CMP 20 and CMA 7 respectively in Belem.

First workshop on Article 2.1(c) in 2025

In Dubai, by decision <u>9/CMA.5</u>, Parties decided to continue and strengthen the Sharm el-Sheikh Dialogue in 2024 and 2025 to exchange views on and enhance understanding of the scope of Article 2.1(c) of the PA and its complementarity with Article 9, including with regard to its operationalisation and implementation. Negotiations in Dubai revealed no common understanding among developed and developing countries on Article 2.1(c).

In their message of 30 April, Co-Chairs Mohamed Nasr (Egypt) and Gabriela Blatter (Switzerland) identified the overarching themes for the two mandated workshops in 2025, stating that they have been selected with the "aim of fostering inclusive, concrete, and solutions-oriented deliberations under the dialogue among Parties and stakeholders, with a view to supporting the ability of CMA 7 to decide on a way forward with regard to its deliberations on this matter".

The themes are as follows: (i) first workshop on "Different approaches to Article 2.1(c) and its complementarity with Article 9 in diverse

contexts", and (ii) second workshop on "Article 2.1(c) of the PA and its complementarity with Article 9, after ten years of the PA and three years of the Sharm el-Sheikh Dialogue". The <u>first</u> workshop is scheduled for 17–18 June.

Workshop on Article 9.5

The third biennial workshop on 20 June, to be led by co-facilitators Elena Pereira (Honduras) and Solomon Schonfield (UK), aims to: (i) enhance thoughts on opportunities, challenges and lessons learnt from the information contained in the third biennial communications, (ii) identify insights on the overall state of predictability and clarity of ex-ante information on financial support to developing countries for the implementation of the PA based on the lessons learnt from the third biennial communications, and (iii) discuss how information in biennial communications can be conducive to measuring progress on efforts related to climate finance through the global stocktake.

The <u>provisional agenda</u> of the workshop also has a session on identifying elements for political consideration, inviting sharing of views on aspects that require political guidance, including at the third high-level ministerial dialogue on climate finance to be held at CMA 7. The deliberations of the workshop will be reflected in a summary report prepared by the secretariat for consideration by COP 30 and CMA 7.

Baku to Belem Roadmap on 1.3T – COP 29 and COP 30 Presidency consultations

Paragraph 27 of NCQG decision 1/CMA.6 launched the Baku to Belem Roadmap on 1.3T, under the joint Presidencies, aiming at "scaling up climate finance to developing country Parties to support low greenhouse gas emissions and climate-resilient development pathways and implement the NDCs and NAPs including through grants, concessional and non-debt-creating instruments, and measures to create fiscal space, taking into account relevant multilateral initiatives as appropriate; and requests the Presidencies to produce a report summarizing the work as they conclude the work" by CMA 7 in Belem. The Roadmap is in relation to the aspirational target of scaling up financing to developing countries to "at least USD1.3 trillion per year by 2035" contained in paragraph 7 of the NCQG decision.

In response to the mandate, the joint Presidencies invited <u>submissions</u> on the overall expectations for the Roadmap, and also convened virtual consultations on 4 March. In their <u>message</u> of 13 May, the two Presidencies shared a <u>work plan</u> outlining the approach, and timeline, milestones and outputs, of the Roadmap. The next key milestones are as follows: publish the draft Roadmap for consultation on 8 September; publish Roadmap and Presidencies report on 27 October; and the high-level launch event of the Roadmap at CMA 7. In Bonn, consultations with Parties are scheduled on 16 June and with non-Party stakeholders on 19 June.

Matters related to the Adaptation Fund

In Baku, decision 2/CMP.19 and decision 13/CMA.6 requested SBI 62 to consider the matter of the arrangements for the Adaptation Fund to exclusively serve the Paris Agreement and to make recommendations on this matter for consideration at CMP 20 and CMA 7, respectively. By decisions 1/CMP.14 and 13/CMA.1, the Adaptation Fund shall exclusively serve the PA once the share of proceeds under Article 6.4 of the PA becomes available. (It was agreed under the PA that a share of proceeds from the Article 6.4 carbon-market mechanism will be forwarded to the Adaptation Fund.)

Given the governance of the Adaptation Fund is currently only under the CMP (meeting of the Kyoto Protocol Parties), governed by decision 1/CMP.3 including a trustee agreement with the World Bank, there is the urgent need for the CMA (meeting of the PA Parties) to mandate the Adaptation Fund Board to conclude a new trustee agreement with the World Bank for the monetisation of the Article 6.4 share of proceeds, in order for the Fund to exclusively serve the PA. The inclusion of this critical issue on the agenda in Bonn is being led by the **African Group**, to address the governance issue of the Fund under the PA by CMA 7 in Belem.

Mitigation Work Programme

CMA 4 decided that at least two global dialogues and investment-focused events will be held each year as part of the Sharm el-Sheikh Mitigation Ambition and Implementation Work Programme (Mitigation Work Programme, MWP).

In 2025, the newly appointed Co-Chairs, Angela Churie Kallhauge (Sweden) and Gao Xiang (China), decided (after consultations with Parties) that the dialogues this year will focus on the topic "Enabling mitigation solutions in the industry, AFOLU (agriculture, forestry, and other land uses) and waste sectors, drawing on national and regional experience". A two-day event was held in Panama City from 19–20 May. During this session, Parties discussed the topic "Enabling mitigation solutions in the forest sector, drawing on national and regional experience". A report of the session is to be prepared by the Co-Chairs later in the year.

At SB 62, Parties are expected to discuss further steps to be taken under the MWP. Some Parties led by developed countries are unhappy that the MWP has not been able to be the vehicle to implement the outcomes from the first GST through "high-level messages", especially those relating to paragraph 28 (on global mitigation efforts in relation to energy, including the transitioning away from fossil fuels).

In Baku, the MWP decision also took note of a proposal made by **Brazil** on behalf of **Group SUR** for the creation of a digital platform for facilitating the implementation of mitigation and invited submissions from Parties to share their views on the design and features of this platform.

Parties are to discuss the digital platform in Bonn, and it can be expected that some Parties may raise the issue of how this proposal relates to the Article 6.8 web-based platform on non-market approaches (NMA platform), which was advanced by the LMDC and is designed to promote cooperation among Parties in supporting the implementation of their NDCs, including on mitigation and adaptation efforts. The NMA platform is supposed to also include information on finance, technology and capacity-building support available or provided for these initiatives.

(The work programme under the framework for non-market approaches under Article 6.8 of the PA is also on the agenda of the SBSTA to advance further work.)

TWN

Bonn Climate News Update

18 June 2025

www.twn.my Published by

Third World Network

UNFCCC Subsidiary Bodies commence work after delayed start

Bonn, 18 June (Radhika Chatterjee and Meena Raman) – The 62nd sessions of the UNFCCC's Subsidiary Bodies (SBs) launched work late evening on 17 June in Bonn after a delayed start, due to opposition from developed countries to the inclusion of two new items proposed by the **Group of 77 and China (G77 and China)** in the provisional agendas of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

The two proposed agenda items were "Implementation of Article 9, paragraph 1, of the Paris Agreement" and "Promoting international cooperation and addressing the concerns with climate change related trade-restrictive unilateral measures". The item on implementation of Article 9.1 of the PA was proposed for inclusion in the SBI's supplementary provisional agenda, while the item on addressing concerns related to unilateral measures was proposed for addition to the agendas of both SBs. (Article 9.1 of the PA provides that "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.")

These two agenda items were initially proposed by the **Like-Minded Developing Countries** (LMDC) but, after gathering the support of all developing countries, became proposals of the **G77** and China. However, developed countries were opposed to their inclusion, which delayed the start of proceedings.

SBI Chair Julia Gardiner (Australia) and SBSTA Chair Adonia Ayebare (Uganda) delayed convening the opening plenaries of the SBs to allow for intensive consultations among Parties, which began on Sunday, 15 June, a day ahead of the scheduled start of the official talks.

The opening plenaries were convened late night on Monday, 16 June, at around 9.30 pm, with the hope that agreement among Parties would be secured, but this proved elusive, as developed countries continued to resist the proposals, and the session was suspended to allow for more consultations the following day. The COP 29 Presidency from Azerbaijan was invited by the SB Chairs to assist in finding a resolution to the impasse.

After a series of extensive consultations, the supplementary provisional agendas of the SBI and SBSTA were adopted at around 5.30 pm on Tuesday, 17 June, without the inclusion of the two agenda items but with certain understandings on how to proceed with them.

As a compromise on the proposal related to implementation of Article 9.1 of the PA, Parties agreed to the following: "The SBI and SBSTA Chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of Article 9.1 of PA. The SBI and SBSTA Chairs will take stock of progress on these consultations at SB 62 and report back on the outcomes of these consultations at SB 63 [the SBs' next session, to be held in Belem, Brazil, in November this year] for Parties' consideration with a view to determining a way forward, including potentially a standalone agenda item on this matter. This understanding will be reflected in the report of the session." It is to be noted that the adopted SBI agenda as appears on the website did not contain a footnote in respect of Article 9.1 of the PA.

On the issue of unilateral measures, Parties agreed with the G77 and China proposal to withdraw the agenda item on the understanding that "related issues will be discussed in relevant agenda items, including the just transition work

programme (JTWP)". It was agreed that this understanding will be included as a footnote. The adopted agendas of the SBs carry the following footnote under the "United Arab Emirates just transition work programme": "Related issues will be discussed in relevant agenda items, including the just transition work programme."

Extensive agenda consultations

According to sources, during the heads-of-delegation (HODs) consultations convened on 15 June, the **G77 and China** was unanimous on wanting a smooth launch of work at SB 62. The **African Group** supported the LMDC proposals, and other G77 sub-groups agreed on the importance of the two proposals. However, sources also said, developed countries led by the **European Union**, the **Umbrella Group** and the **Environmental Integrity Group** (**EIG**) objected to the proposals by the LMDC.

As per sources, the G77 and China eventually presented a "package as a way forward". According to the package, the unilateral-measures agenda item would be withdrawn, and while adopting the agenda, the SB Chairs would read out the following: "On agenda item xx contained in document xxxx in supplementary agenda, Parties agreed to withdraw the agenda item on the understanding that related issues will be discussed in relevant agenda items, including the just transition work programme." The compromise proposal, which the Third World Network (TWN) received a copy of, further stated that "a footnote will be added in the agendas adopted on just transition linking back to the report of the meeting to the paragraph reflecting the understanding". Developed countries had already agreed to this package "in principle", sources shared with TWN.

On the agenda item on Article 9.1 of the PA, the G77 and China's proposal read, "It is the will of the G77 and China – representing the global south – to adopt the supplementary provisional agenda with Article 9.1 on it. On the supplementary provisional agenda footnote on 9.1 item: This agenda item will be considered through substantive consultations held by the SBI and SBSTA chairs at SB62." (The compromise here was that instead of a contact group, the SBs would launch substantive consultations.)

Following the agreement within the G77 and China, further HOD consultations convened on 16 June, where sources said that developed countries

rejected the compromise proposal offered by the G77 and China.

In an effort to launch work, the SB Chairs convened the opening plenary late evening on 16 June. As soon as Parties were invited by SBI Chair Gardiner to consider the supplementary provisional agenda of the SBI, the EU said it could not accept the document with the inclusion of the item on implementation of Article 9.1 "as is". It tabled a counter-proposal and said paragraphs 1, 2 and 3 of Article 9 of the PA should be included in the agenda instead of focusing only on Article 9.1. The EU also proposed the addition of a footnote to this item which would state that having an extended discussion on finance on Articles 9.1, 9.2 and 9.3 "would allow us to streamline a number of finance agenda items such as the long-term finance agenda item".

Regarding the proposal on unilateral measures, the EU said that "in our understanding it should say 'may discuss' rather than 'will discuss'".

Following the EU's statement, **Iraq**, speaking for the **G77 and China**, read out its package as detailed above. This however was rejected by the EU, which reiterated its counter-proposal. Subsequently, Iraq requested the SB Chairs for time to consult with the G77 and China's subgroups on the EU's counter-proposal. However, the SB Chairs said that time had run out on the matter.

Bolivia, for the LMDC, said it could not support the EU's counter-proposal on combining Article 9.1's implementation with Articles 9.2 and 9.3 because "it is mixing" different issues. It said Article 9.1 relates to the legal obligations of developed countries to provide financial support to developing countries, while Article 9.2 is a voluntary provision. It added Parties "cannot just integrate these discussions in just one agenda", and fully supported the perspective of the G77 and China, which it said was the result of much flexibility and discussion. Regarding the EU's proposal on unilateral measures, it said that it could not support shifting the word "will" to "may" as this completely changed "the perspective, diminishing the importance of the unilateral measures in the context of our discussions". It further expressed support for the G77 and China's proposal on this issue.

Saudi Arabia, for the **Arab Group**, aligned fully with the G77 and China's proposal and said it could not support the EU's proposal. It added that "this suggestion was made in the consultations

with the HODs" and that "they were explicitly not supported by several groups and Parties. We are surprised to see these proposals resurfacing now in the plenary."

Given the lack of consensus amongst parties, the SB Chairs suspended the plenary.

On 17 June, sources informed TWN that the G77 and China offered a further compromise in the spirit of work being launched. The group offered to retain its proposal on unilateral measures but agreed to drop Article 9.1 from the agenda, but with consultations being launched on the issue. The following text is said to have been tested for agreement in confidence: "The SBI and SBSTA Chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of Article 9.1 of the PA. The SBI and SBSTA Chairs will take stock of progress on these consultations at SB 62 and report back on the outcomes of these consultations at SB 63 for Parties' consideration with a view to determining a way forward, including potentially a standalone agenda item on this matter."

Sources revealed that developed countries continued to have a problem with the G77 and China's position on the issue of unilateral measures. Consultations convened throughout the day behind closed doors under the leadership of the COP 29 Presidency. One of the key disagreements was over the issue of the word "may", as proposed by the EU, versus "will".

The opening plenary finally resumed on 17 June evening during which Yelchin Rafiyev, as a representative of the COP 29 Presidency, announced the agreement based on which the supplementary provisional agendas of the SBI and SBSTA were adopted. Reading out the agreement reached by Parties, Rafiyev said on the agenda item regarding implementation of Article 9.1, a "footnote will be added to the SBI 62 agenda item 2a, adoption of the agenda, outlining the following understanding: The SBI and SBSTA Chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of Article 9.1 of the PA. The SBI and SBSTA Chairs will take stock of progress on these consultations at SB 62 and report back on the outcomes of these consultations at SB 63 for Parties' consideration with a view to determining a way forward, including potentially a standalone agenda item on this matter. This understanding will be reflected in the report of the session."

On the agenda item related to unilateral measures, Rafiyev said "Parties agreed to withdraw

the agenda item on the understanding that related issues will be discussed in relevant agenda items, including the just transition work programme (JTWP). A footnote will be added in the agendas adopted on just transition linking back to the report of the meeting the paragraph reflecting the understanding. Based on our consultation with the Parties, it was an understanding of the Parties that the way forward on agenda x contained in the supplementary provisional agenda in the doc xxx will continue to include discussion of issues outlined in decision 3/CMA.5 of [the] JTWP."

SBI Chair Gardiner finally announced the adoption of the supplementary provisional agenda of the SBI without the inclusion of the items related to implementation of Article 9.1 and unilateral measures. Similarly, the supplementary provisional agenda of the SBSTA was adopted without the inclusion of the item related to unilateral measures. She added, "Parties agreed to withdraw the agenda items with the understanding that related issues will be discussed in relevant agenda items, including the JTWP. Accordingly, a footnote will be added in the agendas adopted for just transition linking back to the report of the meeting to the paragraph reflecting this understanding. Text will read: related issues will be discussed in relevant agenda items, including the JTWP."

With regard to the withdrawn SBI agenda item related to implementation of Article 9.1, she said, "the SBI and SBSTA Chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of Article 9.1 of the PA. The SBI and SBSTA Chairs will take stock of progress on these consultations at SB 62, and report back on these consultations at SB 63 for Parties' consideration with a view to determining the way forward including potentially a standalone agenda item on this matter."

The SB Chairs then invited Parties to adopt the respective agendas of the SBs and they were adopted to applause.

Following the adoption of the agendas, several groups of countries made interventions.

Some highlights of interventions

Iraq, for the **G77 and China**, said, "Adopting the agenda is key for our group, and we appreciate the engagement of the efforts made to move forward. G77 and China is the largest group of members and the work is a token of unity and hard work of 134 Parties that represent countries that are highly vulnerable to climate change." It said it

had "worked with extreme commitment to ensure through a lot of compromises ... that we would be able to move forward. As you are all aware, we had many hours of discussion today – and have worked with our partners with many compromises. We had two proposals at the start [which] were submitted, and we have gone through many changes and we as G77 and China have made a lot of compromise, to ensure that ... all Parties are united."

It further added, "We will continue to stress the importance of addressing unilateral measures, it must not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. In a context when we are all doing efforts to increase our climate action, it is an issue of serious concern, the growing impact of unilateral economic coercive measures on the capacity and ability of developing countries to meet their obligations under the Convention and the PA. G77 and China have been very flexible in discussing and engaging on the proposal on unilateral measures. In light of the G77 and China's renewed and continued commitment to international cooperation and climate action, as well as the rising climate impacts affecting lives and livelihoods in the Global South, there is no space or time to hold on finance commitments and obligations and leave developing countries behind."

It said "scaling up climate finance in accordance with the principles and provisions of the UNFCCC and PA forms the core of the priorities for the G77 and China, [and] this includes ensuring developing countries inclusively contribute to the work related to Baku to Belem Roadmap and their voices are influential so as to ensure that the process leads to addressing the evolving needs and priorities of the developing countries."

It added further that "developed countries must significantly scale up the provision of climate finance and means of implementation to enable ambitious and urgent climate action at the scale and speed required. 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. This is why G77 and China is highlighting the great importance of Article 9.1, and the importance of the proposed agenda item."

Bolivia, for the **LMDC**, said, "We are extremely disappointed with the reluctance of developed countries to discuss their legal obligation to provide finance to developing countries. We proposed an agenda item for the implementation

of Article 9.1 of the PA as well as on unilateral measures – which impact our countries negatively. Let us also be clear about the reason for the delay. We were ready to get to work on Monday. G77 came together – 134 developing countries, we made a proposal. But it was rejected. We came up with a counter-proposal. Developed countries blocked this as well. All of today, we have been consulting behind closed doors on footnotes and verbal assurances. Our partners are not willing to discuss formally issues that impact developing countries. This is unacceptable."

Elaborating further, it said "the finance conversation has been taken over with words such as 'investments', 'mobilisation', 'bankability', and the majority of the responsibility transferred to the private sector for whom developing countries have to create 'enabling environments'. This is contrary to the regime here and its principles. The fact that we are gathered here around the table today is a testament to our commitment to multilateralism and international cooperation. We are fully committed to both. It is 10 years of the PA, but it is 30+ years of the Convention. We have stayed the course and demonstrated tremendous commitment despite the challenges we face. Public finance from developed countries is a necessary condition for implementation of the Paris Agreement. But we cannot make progress by simply bypassing the roadblocks and the impediments to implementation. We have to address them meaningfully. This must be the starting point of the discussions. We have been denied the starting point. But rest assured, the LMDC will back to this item/these items at COP 30/CMA 7."

India aligned with the LDMC statement and said, "Without enough affordable financial support, developing countries struggle to address the challenges posed by climate change. In this context, LMDC proposed an agenda item for the implementation of Article 9.1 of the PA. ... However, we are extremely disappointed with the reluctance of developed countries to discuss their legal obligation to provide finance to developing countries. We are committed to the process and we were ready to get to work on first day itself. [But] we saw that it had been rejected. We worked very hard yesterday and today consulting behind closed doors. Our partners are not willing to discuss issues that impact developing countries. This is completely unacceptable. [Without engaging in conversations on Article 9.1,] climate actions of developing countries cannot be taken in scale, scope and speed. We are fully committed to

multilateralism and international cooperation. It is 10 years of the PA, but it is 30+ years of the Convention. Still, the most important provisions on enablers remain unaddressed. Public finance from developed countries is a necessary condition for implementation of the Paris Agreement. We have to address them effectively. India will come back with this item at COP 30/CMA 7."

Saudi Arabia, for the **Arab Group**, aligned with the positions of the G77 and China and the LMDC. It also said the issue of unilateral measures was of "utmost importance" to it.

Tanzania, for the **African Group**, also aligned with the G77 and China and added that its agreement on the footnote on the agenda item related to implementation of Article 9.1 would not

prevent any other Party from proposing this issue again for inclusion in future agendas.

The EU said "our goal since arriving here in Bonn is to get our work underway under the mandate of work programmes. It is hard to remain silent when our positions and our motivations are mischaracterised by our partners. This is a multilateral process in which the views of all Parties must be respected and when we don't agree, we work here together to reach compromises which allow us to move ahead. That is the spirit that EU and many other Parties have engaged in adopting this agenda."

Similar remarks were made by **Australia** for the **Umbrella Group** and **Switzerland** for the **EIG**.

TWN

Bonn Climate News Update

www.twn.my Published by 19 June 2025

Third World Network

Call for burden sharing amongst developed countries to provide climate finance

Bonn, 19 June (Chhegu Palmuu) – At the open consultation led by the Presidencies of the sixth and seventh sessions of the Conference of the Parties to the Paris Agreement (CMA) on the Baku to Belem Roadmap to 1.3T, held on 18 June, developing countries called for the roadmap to provide "a clear agreement on burden sharing amongst developed countries to establish their 'fair share' of their collective obligation to provide climate finance, which allows predictability, transparency, and accountability".

Last year in Baku, CMA 6 adopted decision 1/CMA.6 on the new collective quantified goal (NCQG) on climate finance which set the new goal "of at least USD300 billion per year by 2035" for developing countries, "with developed countries taking the lead" and "from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources". The decision also called 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 USD1.3 trillion per year by 2035" as an aspirational target. It is to be noted that the NCQG structure eventually took the shape of a multi-layered approach given aggressive push by developed countries, with the new goal forming the inner core layer and the aspirational target as the outer layer.

Further, the NCQG decision launched, under the guidance of the Presidencies of CMA 6 (Azerbaijan) and CMA 7 (Brazil), in consultation with Parties, the Baku to Belem Roadmap to 1.3T (trillion), "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 (NDCs)

and national adaptation plans (NAPs) including through grants, concessional and non-debt-creating instruments, and measures to create fiscal space, taking into account relevant multilateral initiatives as appropriate; and requests the Presidencies to produce a report summarizing the work as they conclude the work by CMA 7 (November 2025)".

In his opening remarks, the COP 29/CMA 6 President Mukhtar Babayev (Azerbaijan) shared that in the final days in Baku, the quantum of the new goal had been offered as "USD250 billion" (per year), but the Presidency pushed for the "highest possible level of ambition" and finally landed with USD300 billion. He said that "concessional and public finance is the backbone of the Baku goal" and now "donors need to deliver", urging them to "send positive signals", while also calling on "strong leadership for the private sector's role".

The incoming COP 30/CMA 7 President Andre Aranha Correa do Lago (Brazil) said that the Presidency is focused not only on "strengthening the rules of the Convention and the Paris Agreement" but also on expanding it to all dimensions of government and society that have to be involved towards supporting the "developing world to receive the finance". He shared about the Brazilian Presidency's initiative on convening a "Circle of Ministers of Finance" who have a central role in this regard. He also informed that in response to the mandated 1.3T roadmap, the joint Presidencies convened virtual consultations with Parties in March, and that the roadmap would be published by the end of October. (See roadmap work plan released in May.) In Bonn, Parties were invited to provide further views on the matter.

Developing countries led by the **G77** and **China** said the group firmly believes that the roadmap to be developed by CMA 7 "shall be solely

under the leadership of the CMA 6 and CMA 7 Presidencies, with inputs from Parties and all actors in accordance with the decision and mandate", and laid down the following expectations:

"Inclusiveness and transparency: The group believes that the process adopted by the Presidencies for undertaking the B2BR [Baku to Belem Roadmap] shall be conducted in transparent, inclusive, and iterative manner. The primary actors that need to be well consulted shall be member Parties of UNFCCC and PA as this roadmap aims towards operationalisation of the NCQG decision adopted at COP 29. All Parties and in particular the subgroupings of G77 and China shall be consulted prior to release of any draft B2BR.

"Principles of equity and CBDR: The Convention and PA are founded on equity and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), in light of different national circumstances, which highlight the need for the roadmap to feature them at its core. The roadmap must ensure that developed countries show leadership and urgently deliver on the USD300 billion goal, which would form the base from which we can build a robust B2BR as well as clarifying the additional role developed countries will play in the context of Article 9.1 [of the PA, which involves the mandatory obligation of developed countries to provide climate finance] which is additional to the USD300 billion.

"Implementation of the work of NCQG decision: The roadmap shall be used as an opportunity to scale up and implement the work undertaken on NCQG at COP 29, including operationalising all calls to action outlined in the NCQG decisions, and not in any way to backslide from the climate finance commitments agreed by developed countries.

"Evolving needs and priorities of developing countries: The evolving needs and priorities of the developing countries must be addressed. The outcome that was agreed at COP 29 needs to be further strengthened through this roadmap. The roadmap needs to demonstrate possible pathways for adequate and accessible finance for climate adaptation and mitigation and loss and damage efforts in developing countries and supporting just transitions across all sectors and thematic areas, while respecting national sovereignty and the bottom-up nature of the PA and without shifting the burden of finance obligations from developed to developing countries. In this regard, the group

sees that the B2BR is to be founded on Article 9 of the PA and the principles and provisions of the Convention. The Group further considers support for country-driven strategies, with a focus on, inter alia, NDCs and NAPs and the needs expressed in Adaptation Communications and Long-Term Climate Strategies along with other national plans including in relation to loss and damage responses.

"Address dis-enablers of climate finance: The B2BR shall aim to address the concerns on climate finance such as the high cost of capital, high transaction costs associated with access, unilateral measures such as CBAMs [carbon border adjustment mechanisms], etc. The roadmap should explore and identify actionable and evidence-based approaches to overcome these obstacles."

Further, the G77 and China said that the roadmap needs to explore the following thematic areas/topics or issues in line with its mandate as per the NCQG decision:

"Definition on climate finance: The roadmap needs to focus on the definition of climate finance. Transparency arrangements must be related to a definition which provides an agreement on what is to be counted and what not, as climate finance. Loans at market rate and private finance at market rate of return cannot be termed as climate finance. Rather, they represent a reverse capital flow from developing to developed countries when repayments are considered. The definition must account for different national pathways, approaches and priorities in line with NDCs and NAPs.

"Source of climate finance: The roadmap needs to highlight how these different sources of climate finance, both public and private financing contribute to the implementation of NDCs and NAPs. This shall avoid any shifting of burden to developing countries and finance flow to be consistent from developed countries to developing countries in line with Article 9.1 of the PA.

"Mitigation actions: Article 9.4 calls for the provision of scaled-up financial resources to achieve a balance between mitigation and adaptation, taking into account country-driven strategies, such as NDCs, NAPs and LEDS [low-emission development strategies], and the priorities and needs of developing countries. The B2BR needs to provide a balanced approach on financing for climate adaptation actions in developing countries. This would also include how the countries could benefit within the existing financial mechanism of the Convention and PA. G77 and China believe

that aspects related to mitigation and adaptation finance need to also be dealt in detail including the role of private sector financial actors in scaling up finance to developing countries.

"Adaptation finance: The gap for adaptation finance is growing and requires an exploration of approaches to bridge the gap. The economic benefits associated with financing for adaptation actions are the primary reason for this lack of availability of finance for scaling up adaptation actions. G77 and China believes that adaptation finance needs to be consistent with Article 9 of the PA. Finance for adaptation actions in developing countries needs to be sourced from public sources in line with Article 9.1 and 9.4 of the PA.

"Loss and damage response: With the changing financial landscape of loss and damage response, it is imperative that financing for loss and damage response is also explored within the roadmap. The pathways to address loss and damage shall benefit all developing countries, including those that have significant capacity constraints.

"Just transitions towards low emissions, climate resilience pathways in the context of sustainable development and eradication of poverty for developing countries: It is imperative to be focused on the goals of the PA and provide the necessary means of implementation and address the barriers for transitions to be truly just between and within countries. G77 and China firmly believes the B2BR should create adequate opportunities to operationalise these critical means of implementation and address the barriers to enable developing countries to achieve their just transitions."

In closing, it said that the "G77 and China membership represent a broad range of countries that have different national circumstances. There are no one-size-fits-all solutions to access climate finance that meet the needs and priorities of all developing countries. The roadmap should provide a clear agreement on burden sharing amongst developed countries to establish their 'fair share' of their collective obligation to provide climate finance, which allows predictability, transparency, and accountability.

"The roadmap must address 'dis-enablers' of climate finance such as the high cost of capital, high transaction costs associated with access, unilateral measures such as CBAMs, etc. It must provide access features that operationalise the requirement for access channels to ensure efficient and swift access to and enhance the coordination

and delivery of climate finance for developing countries, noting the special considerations for SIDS [Small Island Developing States] and LDCs [Least Developed Countries] as set out in the PA."

Tanzania, for the African Group, stated that the NCQG decision has reinforced the importance of "reforming the multilateral finance architecture", highlighting the "unsustainable debt levels" which have an impact on climate ambition. It said that "Africa's debt burden has been growing significantly in the past 15 years", illustrating with an example that "in 2024, African countries paid USD89.4 billion in external debt and in 2022, debt servicing was equivalent to USD22.4 billion of their combined GDP". Therefore, "the roadmap should enable the necessary levels of mobilisation and provision [of finance] which continue to be a fundamental challenge in Africa", it added, underlining the necessity of reducing the cost of capital.

It further said that the roadmap should focus on "dramatically scaling up adaptation finance including taking into account the GGA", and that "significant gaps remain in responding to the increased scale and frequency of loss and damage and therefore, the roadmap should recognise the need of enhanced support" in this regard. It stressed that the roadmap must build around the "obligation that developed countries shall provide financial resources and lead the mobilisation of quantum through burden-sharing arrangements". It also pointed out how the "determination of needs and priorities is conducted, such as how to finance 'Mission 300' in Africa and the clean cooking agenda which are at the core of just transition in the continent".

Saudi Arabia, for the Arab Group, shed light on the spending of Annex II countries (developed countries), stating that "USD13 trillion in 2022 in government expenditures" was spent, and that "only 3.4% of [their] government expenditures and 0.8% of GDP will generate USD441 billion per year in grant-based concessional funding. Less than one percent of developed countries' GDPs, if new and additional, will add USD441 billion to the existing USD861 billion in climate finance flows to developing countries to reach USD1.3 trillion assuming no increases from any other source in the next 13 years even when not accounting for inflation and not accounting for the increase in their mobilisation goal".

It firmly conveyed that "while we encourage enabling the scaling up of climate finance, we cannot

support approaches that shift the burden from developed countries to consumers in developing countries. We do not agree with including any references to international taxation that violates national sovereignty and shifts the finance burden to people and communities suffering from the adverse effects of climate change". Crunching numbers, it pointed out that "out of the USD1.46 trillion of climate finance flows in 2022, USD496 billion occurred in Western Europe and North America compared to USD159 billion in South Asia, Latin America and the Caribbean, Sub-Saharan Africa, and the Middle East combined. Despite clear and repeated messages from the Global South emphasising the importance of adaptation measures, 90% of climate finance flows were directed to mitigation. The data clearly indicates a lack of balance, between developed and developing countries, between regions, and between mitigation and adaptation. The roadmap therefore must send strong signals to climate finance actors to better account for geographic balance in their climate finance flows and to better account for the different needs, priorities and pathways of developing countries".

India, for the Like-Minded Developing Countries (LMDC), stressed the importance of the roadmap taking a "developing-country-centric approach because, as per mandate, the scaling up of USD1.3 trillion is for developing countries". With respect to the substantive issues and actions that need to be taken, it underscored that "the roadmap must place Article 9.1 [of the PA] as its central pillar and explore how Article 9.1 can be operationalised". It added that "developing countries need access to public finance by developed countries as mandated by Article 9.1 of the PA, so as to catalyse concessional mobilisation of finance for their climate action through the provision of grants and non-debt finance. This discussion on Article 9.1 in the roadmap is indeed critical to enable reaching the scale of USD1.3 trillion per year".

It further cautioned that the roadmap must take a "nuanced approach to take into account the issues faced and limitations of developing countries, so that it addresses the barriers to finance, instead of shifting the burden to developing countries. Finance at scale and reasonable cost for climate action can only come on the foundation of a strong developed country public sector support". It said further that "it has been a long-known fact that the private sector provides resources at market rate which is much higher for developing countries. Most

innovative new technology projects are not viable at that cost, making it impossible for developing countries to scale action. This along with the responsibility paradigm makes it necessary that the public sector from developed countries steps in".

In this context, it made clear that the roadmap must take a comprehensive view of the obligations under the Convention and the PA, as well as the principles – ensuring against any burden shifting of finance responsibilities to developing countries to enable them to progress on their sustainable development and poverty eradication – and consider the needs and priorities of developing countries, allowing flexibility on action.

The Alliance of Small Island States (AOSIS) said that for SIDS, "the challenge is not only the volume of climate finance, but the chronic inaccessibility of it". Therefore, the roadmap must "prioritise context-specific interventions that reflect the unique realities and acute vulnerabilities" of SIDS. Highlighting barriers to climate finance access which include "overly complex procedures, arbitrary eligibility criteria, and a lack of concessional or non-debt-creating instruments", it underscored the "importance of operationalising Article 9.9 of the PA and building on paragraph 21 of the NCQG decision, which call for enhancing access and addressing barriers faced by developing countries, particularly SIDS".

On responsibility, it said that "developed country Parties must comply with their legally binding commitments and continue to take the lead in fulfilling grant-based public finance pledges, supporting access reform, and ensuring international financial institutions align with the PA; MDBs [multilateral development banks] and IFIs [international financial institutions] must reform access criteria and provide concessional resources through a variety of mechanisms; the private sector, including insurers and institutional investors, must innovate to offer risk mitigation tools appropriate for SIDS and support scalable, locally-led climate projects".

Gambia, for the LDCs, strongly reiterated that the NCQG decision "falls well short of the ambition and expectations of developing countries, particularly for LDCs. The decision adopted lacks the clarity, scale, and commitment necessary to deliver predictable, accessible, and adequate climate finance at the pace and scale required. As such, the Baku to Belem Roadmap should be actionable and ambitious. It must enable us to accelerate the implementation of 1.5°C-aligned NDCs and NAPs that are ready for a breach

of that target with a 'no regrets policy'". It also emphasised the need to "resolve key outstanding issues" including "a massive scale-up of adaptation finance, and clear provisions for financing loss and damage; a solution to the debt crisis, and financing arrangements that expand fiscal space rather than constrain it; and special attention to the unique challenges of LDCs and SIDS in accessing and benefiting from scaled-up finance".

Reflecting the broad stance of developed countries, the European Union, while expressing

commitment to the NCQG including Article 9.1 of the PA, said that the "NCQG requires engagement of all actors" and that there needs to be a "focus on private finance". It underlined the need to "scale up private finance and on all with the capacity to do so", further making clear that the roadmap is not a "negotiated" outcome.

The consultation did not see the entire list of Parties taking the floor due to time constraint and will reconvene at a later date. Consultations with non-Party stakeholders are scheduled for 19 June.

TWN

Bonn Climate News Update 4

www.twn.my Published by

Third World Network

20 June 2025

Disagreement over starting point of negotiations on the "UAE dialogue"

Bonn, 20 June (Radhika Chatterjee) – Discussions on the modalities of the "UAE dialogue" being held under the UNFCCC's Subsidiary Body for Implementation (SBI) saw a significant lack of agreement over what should form the starting point of negotiations.

Paragraph 97 of the first global stocktake (GST) decision from 2023 was placed under the "Finance" heading of the "Means of implementation and support" section, where it was decided to "establish the UAE dialogue on implementing the GST outcomes". Further, paragraph 98 decided that the dialogue will be operationalised starting from the 6th session of the Conference of the Parties to the Paris Agreement (CMA 6 in 2024) and conclude at CMA 10 (2028), requesting SBI 60 to "develop modalities for the dialogue" for consideration by CMA 6.

Since last year, negotiations have proven very controversial and difficult, with persistent divergences over the "scope" of the dialogue – notably, whether the focus should be on implementation of the "finance"-related elements of the GST outcomes or whether there should be a wider focus covering implementation of "all elements" of the outcomes. The latter approach is mainly pursued by developed countries who want a focus on paragraph 28 of the GST decision which contains language on "transitioning away from fossil fuels".

At CMA 6 in Baku, the <u>draft decision text</u> <u>proposed by the Presidency</u> (referred to as L.21) for final consideration did not see consensus. This was so, despite protracted negotiations that saw huge concessions by some Parties to accommodate a broad scope that would "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". The delicate draft decision proposed was rejected by some Parties led by developed countries at the closing plenary due to the absence of any reference to the preparation of an "annual report", which proponents had sought as a means of "tracking" the implementation of the GST outcomes, particularly the implementation of paragraph 28 of the GST decision. (See this <u>TWN</u> update for details.)

At the current Bonn session, at informal consultations co-facilitated by Ricardo Marshall (Barbados) and Patrick Spicer (Canada) on 18-19 June, the Like-Minded Developing Countries (LMDC), the Arab Group, India and China expressed regret that Parties could not adopt the draft decision on this matter in Baku. On the question of the scope of modalities of the UAE dialogue, they said tracking finance-related outcomes was a central objective of the dialogue, and stressed the need for having an open mind for considering additional inputs for beginning the discussions at the current Bonn session. They also emphasised that the implementation of the GST outcome should respect the nationally determined nature of nationally determined contributions (NDCs) of Parties.

Most developed countries like the European Union, the Environmental Integrity Group (EIG), the United Kingdom, Norway, Australia, Japan and South Korea said they want to consider the Baku draft decision text as the starting point for negotiations at this SB session. In terms of the

scope of the dialogue, they said the focus should be on tracking the implementation of all outcomes of the first GST including on mitigation, adaptation and finance. Similar views were expressed by some developing countries like the Independent Alliance of Latin America and the Caribbean (AILAC), Alliance of Small Island States (AOSIS) and the Least Developed Countries.

The **Philippines**, speaking for the **G77** and **China**, recalled the hard work that Parties had done in Baku in the UAE dialogue modalities negotiations, and if groups believed that it would be useful to make use of that work for the discussions at Bonn, then the L.21 document from Baku could be used "as an input or as a tool that could help shape the elements of modalities" of the UAE dialogue.

Saudi Arabia, for the LMDC, said that despite the hard work put in by Parties in Baku, the final text presented was rejected. It said the entire GST text was presented "in the wider context of a package of the final outcome in Baku. A lot of elements of the text were balancing the general outcome we had in COP 29". It also said that it was important to discuss and reflect on why we are in this position now when we actually could instead be having a UAE dialogue in this session, had the Baku decision been adopted. It said further that "no matter how many times we have this discussion, some boundaries will not change; some parameters contradict the basic architecture of the Paris Agreement. We will not accept the dialogue which tracks [all] the outcomes of the GST and impacts the nationally determined nature of NDCs."

On the starting point for discussions, it said "we did not agree [here in Bonn] on using the Baku text as a basis. It is quite convenient to reject the text and ask for inclusion of some specific elements. We had a lot of elements we would have liked to see. We were one of the main groups that were highlighting the importance of this dialogue to have a space for tracking finance so that we have the enabler of our NDCs. But unfortunately, that urgency was not shared by others in Baku, and we did not have a dialogue here." It also said that Parties should be open to consideration of all inputs.

Qatar, for the Arab Group, said that it is very difficult to jump into negotiations without a "shared understanding of the process". It said further that it is "open to using the Baku text as one input to the way forward. We made a lot of compromises [in Baku] [but] it was blocked by some. Now we cannot use that text as the sole text,

but earlier iterations and versions of that text and other relevant documents should be considered as inputs". It also said that the UAE dialogue should be aligned with the principles and provisions of the PA.

India said "we cannot help but recall the very difficult passage we had in week one at Baku", pointing out that it was a difficult week of intense negotiations, and the room was very divided on what the dialogue was supposed to be about, and what the scope of the decision was to be about. Referring to paragraph 97 of the GST outcome through which the UAE dialogue was established, it said the paragraph "referred to issues of finance which have played such a central role in the implementation of the PA ... To other Parties it was not. For them it was an invitation to a mini-GST [process]".

It said further that it was clear there was no convergence on the UAE dialogue among Parties and that in this context, it was surprised by those calling for a particular text as basis, which it said was "extraordinarily premature", adding that "we need to discuss and go back to the drawing board". It reiterated that "there is no room for scope under the PA to create a forum for the implementation of the GST outcomes. The GST's role is to inform Parties for their next NDCs. There is no provision for collectively [dictating] measures based on findings of GST. Whatever dialogue we construct around this effort by Parties must adhere to within this precise scope that is laid out by the PA".

China expressed regret that Parties could not achieve a conclusion on the UAE dialogue discussions at COP 29 despite the "immense efforts". It said "ultimately a balanced package was presented" and "some Parties had demonstrated significant flexibility and compromised a lot in pursuit of a decision" but "it was rejected unfortunately by some at the plenary". It said further that "this Bonn session offers us new opportunity and we should collectively reflect on why we failed last year and how we can proceed differently this year", adding that "it is too early, too premature to discuss what kind of text should be the specific basis [for starting discussions at this session]". It said "we must create space for Parties to discuss new contents and issues that have emerged [since then] like unilateral measures, the USD1.3 trillion goal, and other finance issues".

Regarding the focus of the dialogue, it said the dialogue should be about finance and "how to implement finance-related outcomes of GST" and how to address the needs for implementing NDCs of developing countries. It said the dialogue should be designed to facilitate discussions on "how to attract the financial means".

Ghana, for the African Group, said it is unfortunate that Parties have to negotiate again on the modalities of the UAE dialogue. It said it would be helpful if Parties don't deviate from what was agreed to in Dubai when the GST outcome was agreed on. It said it was open to considering the Baku text as the starting point of discussions in Bonn.

AILAC said that in the spirit of compromise it would be willing to work with the Baku text, especially the modality section as the starting point for discussions. It added that finance should be at the "heart of implementing GST outcomes". It said that the reports of the dialogue should be considered by the CMA with a focus on finance and gaps in action and implementation. It explained that it could not accept the Baku text at COP 29 "because of missing elements" and proposed a discussion at Bonn on those missing elements. It said the focus of the UAE dialogue "is to identify challenges of implementation" and track "collective progress of implementation of GST outcomes". Among the missing elements was the need for a "summary report" of the dialogue.

Maldives, for AOSIS, said that though some Parties have expressed openness to using the L.21 document from Baku as a basis for discussions in Bonn, "several concepts within it will require further unpacking". It said it was ready to work on it and that there were important elements that were missing from it. It mentioned a "follow-up mechanism" and "clarity on outcomes of this dialogue" as being "essential" for taking forward the outcomes.

Malawi, for the LDCs, said it was "comfortable to use the Baku text as a starting point". Calling the text "not perfect", it added that it nevertheless "sets a good place to progress on our work as quickly as possible". It said the outcome of the dialogue should enable taking forward key messages from the findings of the first GST in order to have "concrete outcomes" in Bonn.

The EU said implementing the first GST decision was a key aspect of the PA and that the UAE dialogue should reflect progress of all collective efforts and that having "a strong outcome" on the dialogue was essential. It said it did not aim at "setting new targets" through the dialogue. To operationalise the dialogue, it said, it

considered the modality section of the L document of Baku as a starting point. It said the dialogue should reflect on the progress on implementation of the first GST, and that the reports of the dialogue should inform the second GST to ensure that the decision is "guided by the lessons learnt from the implementation of GST1". It said it would like to see the dialogue established this year, with the first dialogue held in Belem, and asked the cofacilitators to put together a draft text for further discussion.

Switzerland, for the EIG, said that the GST outcome of COP 28 was "historic" and that it would work to ensure that the UAE dialogue becomes a space "to track collective progress" for implementation of the GST outcome. Expressing disappointment with the lack of a decision on the dialogue in Baku, it supported building on the work done in Baku. It said it had opposed the draft text in Baku at the last hour because it felt that text would have made the dialogue "another talk-shop". It added that implementing the GST also meant "tracking progress of the commitments made in the GST and having the space to discuss opportunities and gaps in implementing GST outcome". It wanted a report of the dialogue which would have recommendations for taking the work of GST implementation forward.

The **United Kingdom** said the Baku text should be the starting point of discussions on the UAE dialogue at Bonn. Regarding the objectives of the dialogue, it said the outcomes should reflect on aspects of the GST1 outcomes, including tracking of mitigation, adaptation and means of implementation, and that the dialogue should be an "assessment of collective progress".

Australia said it was willing to use the Baku text as a basis for discussions at Bonn. It said the "final outcome" of the dialogue was important and that a "red line" was "having no outputs from the dialogue". It said it was "crucial that the dialogue covers all aspects of GST". Elaborating on some of the things it would like to see as outputs from the dialogue, it mentioned a report from each dialogue, synthesis reports, and "key messages for policymakers".

South Korea also supported the use of the Baku text as a starting point for discussions and said the reason that text was not accepted in Baku was because "having no text was better than accepting that text". If we are to make progress, it said, we need to make some changes to the text. It added that "the purpose of the dialogue is to take

stock of how the GST is implemented", and that the dialogue should inform the second GST process.

Norway called the GST "instrumental" to increase action and ambition to achieve the long-term goals of the PA, highlighting the importance of following up on the GST outcomes. It supported the use of the Baku text as a starting point for discussions in Bonn, and said the UAE dialogue "should provide a space to have a comprehensive overview of follow-up of the GST".

Japan said the UAE dialogue should cover all aspects of the GST outcome and discuss

progress on efforts related to mitigation, adaptation and means of implementation. It said the Baku text "is a good starting point of the discussion". Stressing the need to avoid a talk-shop, it said "the dialogue should focus on constructive output" by producing a "summary report" on an annual basis and a synthesis report "on the basis of the whole dialogue process", all of which could inform the second GST.

The informal consultations on the way forward will continue today.

TWN

Bonn Climate News Update

www.twn.my Published by 22 June 2025

Third World Network

Making the Mitigation Work Programme a "safe space"

Bonn, 22 June (Radhika Chatterjee) – Countries shared their views on what it would take to make the Mitigation Work Programme (MWP) a "safe space" for overcoming barriers and taking actionable solutions, in the first two informal consultations on this subject held on 18 and 19 June at the ongoing Bonn climate talks.

Discussions were presided over by cofacilitators Ursula Fuentes (Germany) and Maesela John Kekana (South Africa). They began the session by laying out the structure for discussions under the MWP in the first week of the talks, where time would be spent on exchanging views on: how they think the programme could be a safe space, the digital platform proposal by Brazil, and potential elements of a draft decision to be considered at the 7th session of the Conference of the Parties to the Paris Agreement (CMA 7).

Several developing countries including the Like-Minded Developing Countries (LMDC), the African Group, the Arab Group, India, China, Egypt, South Africa and Algeria expressed that the MWP would remain a safe space so long as its mandate was respected. India also pointed out that developing countries were already doing much more than their fair share of mitigation action, but a key barrier they were facing in implementing those actions was the lack of financial and technological support.

Calling the MWP a valuable space for exchanging knowledge and learning, these countries stressed the importance of the digital platform. They also highlighted the need for bringing back the "pitch hub events" under the "investment-focused events" (IFEs) of the programme to provide space for matchmaking the mitigation projects of developing countries with donors for their implementation.

On the other hand, developed countries like the European Union, the Environmental Integrity Group (EIG), the United Kingdom, Norway, Australia and South Korea and some developing-country groupings like the Least Developed Countries (LDCs), the Independent Alliance of Latin America and the Caribbean (AILAC) and the Alliance of Small Island States (AOSIS) said discussing key messages and recommendations from the fifth global dialogue (GD5) and the IFEs for scaling up mitigation action would make the MWP a safe space. Stressing the need for keeping the 1.5°C warming goal alive, they expressed disappointment with the functioning of the MWP.

[According to the mandate of the MWP as provided in decision 4/CMA.4, two global dialogues and IFEs are supposed to be held for exchange of views and experiences. In 2025, the GD5 and IFE was held in Panama City on 19–20 May, presided over by Co-Chairs Angela Churie Kallhauge (Sweden) and Gao Xiang (China). The topic for the dialogues this year is "Enabling mitigation solutions in the industry, AFOLU (agriculture, forestry, and other land uses) and waste sectors, drawing on national and regional experience". During the GD5, Parties discussed the topic of "Enabling mitigation solutions in the forest sector, drawing on national and regional experience". A report of the session, to be prepared by the Co-Chairs, is not yet available.]

China, for the LMDC, said that work under the MWP has progressed through the exchange of views that has helped Parties learn from each other, and that "we gained a lot from it". It added that some Parties "wished to enlarge the scope of the MWP" by linking it to the mitigation components of the global stocktake (GST) outcomes and shift the burden of mitigation onto the Global South without providing the means of implementation. It said none of the Annex I Parties (developed countries) will fulfil their nationally determined contributions (NDCs), and that those groups "who are not willing to implement" are the ones who are "trying to undermine" work on mitigation. This, it said, is "not a good signal" to send about what countries should do in the future.

It said that a basic requirement for making the MWP a safe space is to "stick to the mandate" and start from issues on which consensus already exists amongst Parties. It said that a good starting point for discussions on the MWP would be to speak about ways by which the GDs can be made more efficient in the future. It also asked for the discussions to focus on the function of the IFEs to unlock the finance and said that the previous format of pitch hub events was "really helpful" in matching donors with projects. It also hoped that the GDs would provide more support to developing countries for implementation by closing gaps in financial support. It emphasised that developing countries "need support from developed countries, especially from public finance", as required for the implementation of Article 9.1 of the Paris Agreement.

Zimbabwe, for the African Group, said that Africa's ambitious NDCs have received little or no financial support, and neither does the continent witness any technology transfer. It added that African countries have limited access to affordable finance, and experience narrow fiscal space and high indebtedness. It pointed out that the conditional aspects of most African countries' NDCs remain unimplemented due to these reasons. It cautioned against the idea of setting new targets and asked for a holistic approach in protecting forests.

Saudi Arabia, for the Arab Group, said the GDs contribute directly to the objectives of the MWP. It said mitigation pathways and sectoral priorities would vary, and strategies in the programme must also reflect that. It suggested that the MWP should continue as a platform for sharing solutions from the ground for learning and knowledge transfer. It said the GDs "are delivering" and "creating space for real world exchange of knowledge on what works and what doesn't work". It added that taking action without having means of implementation is difficult. It said it is the structured flow of the MWP that makes it a safe space, adding that factors that would contribute further to this are "real progress"

and "technology transfer". It said there is a need for shielding the process from political signals because giving guidance through such signals involves "oversimplification" of discussions that are technical and complex in nature. It said further that the MWP is a knowledge exchange platform that "cannot prescribe" and should not "infringe on countries' sovereign choices and their nationally determined mitigation pathways".

Egypt said it is important to have a common understanding of paragraph 2 of decision 4/CMA.4 which operationalised the MWP. (Paragraph 2 reads: "Decides that the work programme shall be operationalized 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 NDCs and will not impose new targets or goals".)

Egypt said "the adjective 'prescriptive' means telling people what should be done or how something should be done. All Parties agreed that the outcomes will not tell them what to do ... The adjective 'punitive' means inflicting or intended as punishment. All Parties agreed that the outcomes would not punish or harm them ... 'Sovereignty' is defined as the supreme power or authority of a state to govern itself. All Parties agreed that they will fully respect each other's authority to define their own NDCs and their own targets". It further said that Parties agreed that NDCs are determined by each individual nation, rather than being imposed or standardised by an international body. Parties also agreed that the outcomes will not provide for any new target or goal. It said further that "facilitative" is defined as "making something easier or assisting the progress of something".

Egypt said the MWP "could fulfil its mandate of being facilitative and provide a safe space for all Parties", and that its outcomes "must not be prescriptive in nature and impose any new targets or goals".

India said a key aspect for ensuring the MWP remains a safe space would involve respecting its mandate. "Continuous attempts to renegotiate the mandate hinder constructive dialogue." It added, "We do not think the MWP is failing to deliver on its mandate. In fact, the GD is a space where we can speak about our experiences, challenges, and barriers and also listen to experiences of others. As long as the spirit of this exchange is honoured, i.e.

that we learn from one another and this learning informs us on how we can do better, we are upholding the spirit of the MWP and its mandate."

It said further that guidance to "Parties on where and how emissions can be reduced" would translate into being "prescriptive", which would create barriers to the dialogue. It added, "Many developing countries including India have ambitious targets. Targets that are far higher than what our fair contribution to climate change mitigation would entail, given our low historical responsibility ... Most of our targets are being met through our own efforts, even as they create not just double but triple burdens for us as we still have developmental gaps to meet." Responding to the repeated calls for increasing mitigation ambition, it said "there is no discussion on the substantial gap between the needs of developing countries and the support available from developed country Parties".

It said further that "frank discussions about these issues can go a long way in creating a safe space for the MWP. But more than just a frank discussion, the actual faithful implementation of the principles of the Convention and its PA ... without cherry-picking elements based on convenience, can go a long way in not just making the MWP room a safe space but also in strengthening multilateralism that is really needed right now".

South Africa said it realises that "up to now the GDs have worked well to share best practices, experiences and lessons learnt for mitigation based on the central mandate of the MWP ... However, we have always maintained that we need funding to scale up mitigation ambition at a country and regional level. We have always emphasised that the IFEs could be the safe space for overcoming barriers and in exploring and implementing actionable and practical solutions...This could be a space for matchmaking between project developers and funders especially for developing countries through the pitch hubs. Through the GDs and IFEs, it is clear that most countries have projects and programmes to implement". It added that "a fundamental principle ... is that higher mitigation ambition in developing countries requires higher ambition of support".

Algeria said it saw the MWP as "a successful experience as it has provided a space to promote experience sharing and concrete examples of mitigation actions on the ground and a channel to enhance international cooperation. And this space will remain a safe one for as long as we will respect

its mandate ... Resetting mandates and attempts to undermine the very nationally determined nature of this process constitute a huge impediment and prevent us each time from capitalising on the successful outcomes of the dialogues and [lead] us to waste valuable time in this time of urgency". It said further that "as a developing country, Algeria has a very high ambition and we have invested an equally high cost in implementing the unconditional part of our NDC which we have achieved way ahead of time. However, without predictable and concrete international financing, a frank discussion on the international barriers burdening our economies, access to the best available technologies and most importantly a reinstated trust within this multilateral process, the conditional part of most of developing countries' NDCs will unfortunately remain unfulfilled".

China said that the MWP is a "valuable platform for the exchange of views and ideas across different sectors", and that it has "effectively delivered on its mandate". It said discussions under the MWP should not go beyond the scope of its mandate. It said that the bottom-up nature of the PA must be kept in mind rather than imposing any prescriptive targets through a top-down approach.

Bangladesh, for the **LDCs**, said the GDs and IFEs "provided good opportunity to deepen our understanding on best practices, challenges, barriers, opportunities". It also said that the world is off-track from aligning with 1.5°C pathways and that countries should try to benefit from other discussions happening around implementation, referring to the GST outcomes. It also said that matchmaking platforms have "great value" and stressed the need to "consider discussion around the performance of the MWP".

Brazil said the mandate of the MWP had been crafted very carefully and that discussions under the programme could be made safe "as determined by qualifiers". It said the MWP can be useful as a "cooperative space for enhancing mitigation ambition and implementation without taking us back to prescriptions and commitments without means of implementation". This can be done by exploring "actionable solutions in the form of messages" that are "constructive rather than coercive" and in line with the mandate of the MWP. Regarding the issue of discussing key messages from the GD5, it said "it would be wise to wait for the report before discussing what those messages" should be. It proposed that the role of indigenous peoples as stewards of forests could be

recognised as one of the key messages, and that it was "not necessarily conflictive" and could "be implemented in a nationally determined manner".

Samoa, for **AOSIS**, said the MWP is not delivering for small islands, both operationally and in terms of outcomes. It said the MWP is not fit for purpose for scaling up and implementing mitigation ambition. It said the MWP would become a safe space if Parties listened and learnt from each other to collaborate and co-create. It added that the MWP discussions should focus on keeping the 1.5°C goal alive.

Calling it a "lived reality" for small island developing states (SIDS), it said the MWP is "lacking in implementation" and reminded everyone that AOSIS has been repeatedly emphasising the need to link the MWP to the GST outcomes. It said that the "MWP is the primary work programme that can follow up on GST commitments", particularly in relation to paragraphs 28 (on transitioning away from fossil fuels) and 33 (on ending deforestation), keeping in mind the need for submitting 1.5°C-aligned pathways in NDCs, and best available climate science. It also mentioned the need for phasing out fossil fuel subsidies and making efforts for a "just, orderly, equitable" energy transition to ensure that "SIDS don't sink".

Colombia, for AILAC, said that the MWP has not led to substantive outcomes and that it is important to consider how the programme could contribute to the GST. It said the MWP is "not fit for purpose" and that "it has lost momentum" by becoming "more of an information-sharing platform with limited impact". It said they had "invested significant efforts to ensure strong evidence-based inputs to the programme" but those insights "have not been translated into actions". It added that the gap between mitigation ambition and implementation is not being addressed in the programme. It also recognised that responsibilities have to be shared in a differentiated manner and that "not everyone will take the same action".

The EU said that the functionality of the MWP will be put on the spot in terms of its relation on where Parties stand while assessing mitigation actions for 2030 and 2035. It said Parties should work on messages they want to include from the GD5 in the decision text of the MWP. It said these messages should focus on where and how Parties plan to reduce their emissions. It asked for messages for safeguarding forests from deforestation. It said the MWP is a space to talk about mitigation options, solutions, barriers and opportunities. It also said

that Parties should start discussing "elements" of the draft decision structure, including messages from the GDs, improvements to the dialogues and IFEs, and the next steps, adding further that the "nature of the MWP is to facilitate climate action".

Switzerland, for the **EIG**, said that the MWP is needed to help deliver on the 1.5°C goal. Referring to the GD5, it highlighted the importance of forests for climate and expressed a desire for a "robust" and "forward-looking" decision. It acknowledged the "target fatigue" and said it upheld the nationally determined nature of NDCs. It said that the "MWP has fallen short of delivering on its objective of keeping 1.5°C within reach".

The UK said the MWP would be a safe space if it provided "a space to discuss the outputs" from the GD5 held recently, and that there should be space to hear from Parties on how discussions at the dialogue support Parties to achieve their targets. It added that these discussions should always reflect the need for addressing the global crisis. A safe space in the MWP would also allow Parties "to see opportunities and problems in this process, [and] if we are not able to do so, we will not be able to deliver on the mandate".

Australia acknowledged that the GDs had helped in learning practical lessons but said it found it "hard to see how those discussions alone are expected to address the MWP's core objectives". It said "it is useful to start reflecting on how the MWP is addressing mitigation needs". It added that it is "not suggesting new targets or goals" and asked for the inclusion of key messages and recommendations on forests and the waste sector. It said there is a "need to discuss appropriate framing" and that it is "not looking to impose anything".

South Korea said the MWP decision adopted last year set a precedent which made it a safe space by incorporating some outcomes from the GDs held. It said this was done without imposing any new targets and disrespecting the sovereignty of Parties.

Norway wanted discussions on important elements from the dialogue on forests and incentives to achieve them "through a broad range of instruments" including "carbon pricing". It said progress on these elements would send "positive signals for international cooperation".

Discussions also began on the creation of a digital platform and the draft structure of the decision towards the end of the first week of the SB sessions, which will continue in the second week of the climate talks.

TWN

Bonn Climate News Update

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www.twn.my

Published by Third World Network 22 June 2025

Developed countries block proposals to advance the Just Transition Work Programme

Bonn, 22 June (S. Hui) – The first week of informal consultations on the Just Transition Work Programme (JTWP) under the UNFCCC's Subsidiary Bodies (SBs) in Bonn began with numerous proposals from developing countries on actionable outcomes, amidst continuous attempts from developed countries to limit and block these proposals from advancing the work programme.

The JTWP was established at COP 27 in Sharm el-Sheikh, Egypt, in 2022 for "discussion of just transition pathways to achieving the goals of the Paris Agreement". At COP 28 in Dubai in 2023, Parties agreed on the elements of the JTWP and also decided that the SBs shall guide the implementation of the work programme through a joint contact group, hold at least two dialogues each year, and that there would be an annual summary report of the dialogues and a report summarising information to inform the second global stocktake (GST). The effectiveness and efficiency of the JTWP is up for review and its continuation will be considered in 2026 as per the Dubai decision. At COP 29 in Baku, there was no substantive outcome on the JTWP. (For more info, see <u>TWN Update</u>.)

Given the existing agreed modalities in Dubai remain limited, the **G77 and China** noted that "this year stands as a pivotal moment for advancing discussions within the JTWP" so that the work programme continues beyond 2026.

The most significant issue in the JTWP is whether developing countries can successfully clinch an actionable outcome, bolstered by the means of implementation and international cooperation which would meaningfully support them in their just transitions, despite opposition from developed countries.

During the first joint contact group session held on 18 June, the Co-Chairs Federica Fricano (Italy) and Joseph Teo (Singapore) noted that while there was only a procedural decision in Baku last year, there is other work that Parties can build on, such as all the three JTWP dialogues convened so far, the first and second high-level ministerial roundtable dialogues, the draft text from SB 60 and SB 61, the COP 29 Presidency's draft text or even the discussions held among heads of delegation on 15 June under "day zero". Based on the presidency draft text and SB 60 text, the Co-Chairs identified seven areas of focus with some guidance questions to capture views from Parties in a structured manner.

The seven areas of focus (known as "elements structure") are: (1) Contextualizing the UAE JTWP; (2) Key messages emerging from three dialogues; (3) Synergies within the UNFCCC; (4) Synergies across the UN system and beyond; (5) Operationalisation of the work programme; (6) Support for just transition pathways; and (7) Additional guidance in terms of actionable outcomes. The informal consultations saw Parties engaging constructively under the guidance of the Co-Chairs.

In general, the first joint contact group on contextualising the UAE JTWP and key messages emerging from three dialogues saw Parties reiterating their earlier positions. (For background on Parties' positions and key divergences, refer to TWN Baku <u>Update 9</u>, <u>Update 13</u> and <u>Update 14</u>.)

Four joint contact groups convened from 18 to 21 June in Bonn, which saw developed countries place more emphasis on having key high-level messages emerging from the dialogues as important outcomes from the JTWP this year, instead of agreeing to any new institutional arrangement that would have additional financial implications, on the grounds that discussion on any new institutional

arrangement is premature and Parties should wait until the review of the work programme in 2026. Developing countries, however, are determined to focus on the operationalisation of the work programme and support for just transitions, and provided various proposals to give additional guidance in terms of actionable outcomes from the JTWP this year.

The related issue of concerns over climate-change-related trade-restrictive unilateral measures will also be discussed in the JTWP, following an "agenda fight" that took place on the opening day of the SBs in Bonn. This relates to the agenda item proposed by the G77 and China entitled "Promoting international cooperation and addressing the concerns with climate change related trade-restrictive unilateral measures", which was later withdrawn on the understanding that it can be dealt with under relevant agenda items including in the JTWP.

Some highlights of the initial interventions from Parties are provided below.

On the operationalisation of the JTWP and actionable outcomes

Egypt, for the G77 and China, reiterated the need to ensure that all elements of paragraph 2 in the Dubai decision are covered comprehensively throughout the implementation of the work programme, and proposed that the operationalisation of the work programme result in concrete outcomes with implementable solutions, and address the importance of the provision of support as an enabler for just transitions.

In terms of additional guidance in terms of actionable outcomes, Egypt said there is value in establishing "arrangements to systematically supplement and support the outcomes of the JTWP, with some high-level objectives such as (a) facilitate the integration of fairness and equity into climate action, operationalising these principles across the implementation of the PA; (b) facilitate better understanding and implementation of all elements of the JTWP; (c) provide a systemic platform for effective exchange of information, facilitation, and cooperation in implementing just transitions at the international, national, and subnational levels; and (d) provide coherent, actionoriented, and inclusive approach for implementing the JTWP, [with an emphasis] on international cooperation and multilateralism at its core."

Further, the G77 envisioned that the functions of the arrangements would include: (a) provision

of technical assistance and facilitating access to information; (b) promoting and mobilising international cooperation, enabling the exchange of knowledge and experiences between Parties; (c) exploring ways to enhance the participation of all UNFCCC constituencies in informing just transitions; (d) assessing gaps in just transitions support and recommending actionable solutions; and (e) mobilising financial resources at national, regional and global levels. The group also proposed that the arrangements would be "Party-led, bottom-up approach, non-prescriptive, voluntary and complementary, focused on implementation and delivering practical benefits and outcomes, as well as responsive to evolving realities while maintaining transparency and inclusivity".

Chile, on behalf of the Independent Alliance of Latin America and the Caribbean (AILAC), said it has been promoting the operationalisation of the JTWP given that the current modalities are insufficient and need to be enhanced to increase the efficiency of the programme so that it continues beyond 2026. On the actionable outcomes, it proposed an institutional arrangement that will catalyse the integration of fairness and the principle of common but differentiated responsibilities (CBDR) into climate actions. It called for a Global Platform for Just Transitions to facilitate technical assistance and foster collaboration and partnerships with all stakeholders. It envisioned that the platform will serve as an action-oriented space, informed by findings of the dialogue, while the JTWP would provide the oversight.

Tanzania, for the **African** Group, stated that the operationalisation of the work programme should aim for concrete outcomes such as enhancing access to energy, clean cooking technologies and facilitating technology transfer. It stressed the need to ensure provision of the means of implementation (MOI) while also addressing the barriers to just transitions, through technical papers and knowledge products in addition to the dialogue. It reiterated the need for additional finance and MOI for just transitions such as social protection, access to energy, clean cooking and other areas. It recommended that the work programme continue beyond 2026 through a proposed institutional arrangement and also through providing guidance.

On the actionable outcomes, it proposed a Global Just Transition Framework that will provide guidance for the implementation of actions outside the UNFCCC, to ensure equity and fairness. It said there can be international arrangements to provide further guidance to match areas of just transition

initiatives with various MOI to enhance the process. Further, it said the guidance can have various goals integrating fairness into climate actions based on the principles of the PA. "One of the goals is to facilitate better understanding, learning experience and success [stories that] enable us to effectively exchange information among different Parties at the international, national and sub national level. ... [Another function is the provision of] technical assistance, [which will] facilitate the flow of information and exchange of knowledge, ... [as well as] assessing gaps at various levels. The guidance can have various features - Party-driven, bottom-up approach, voluntary and complementary at various levels ... should be responsible and maintain transparency...."

Burkina Faso, for the Least Developed Countries (LDCs), called for scaling up MOI and "recognising that the widening adaptation finance gap may hinder the implementation of just transition pathways in developing countries, especially those that are particularly vulnerable to the adverse effects of climate change". It did not want to focus only on energy transition, saying there should be a holistic view when talking about just transitions. On the actionable outcomes, it supported the establishment of arrangements to assist countries in implementing just transition pathways and expected the function of the arrangements to include: (a) delivering access to clean energy/energy security; (b) contributing to reform of the international financial architecture and addressing structural inequalities; (c) addressing debt burdens, improving debt sustainability and forgiveness, facilitating debt-for-climate-action swaps; (d) operationalisation of special needs and circumstances of LDCs and SIDS; (e) strengthening social protection systems and supporting informal workers; and (f) supporting developing countries in their efforts to attain sustainable development and eradication of poverty, which are challenged by the impacts of climate change, among others.

Qatar, for the Arab Group, said it did not support having a siloed sectoral approach by focusing on energy transition only. It did not agree with limiting the "enabling environment" to the domestic level and wanted focus on "increasing support". It called for recognition of the role of the PA's Article 6.8 non-market approaches (NMAs) in the support of just transitions. It supported the G77 and China's proposal to establish an institutional arrangement which will catalyse meaningful action on just transitions. It did not want to limit equity and fairness into a guidance framework as

these are the core principles of the UNFCCC, and added that any cooperation should be Party-driven to avoid a top-down approach.

Bolivia, on behalf of the **Like-Minded Developing Countries (LMDC)**, reiterated the need to ensure all elements in paragraph 2 of decision 3/CMA.5 are addressed comprehensively in the operationalisation of the work programme. It said it could not support a sole focus on energy transition as this counters the multidimensional and holistic approach of just transitions. On the support for just transitions, it said a prescriptive approach is not the way forward; it added that integrated, holistic and balanced NMAs can provide support for just transitions.

Further, it raised the need to ensure international cooperation to support just transitions and the need to address the dis-enablers that impede just transitions, while reaffirming that developed countries shall assume leadership by achieving their emission reduction targets early and by supporting the nationally determined just transitions of developing countries through the provision of financial, technical and capacitybuilding support. It also called for reaffirming the provision of finance for just transitions in accordance with Article 9.1 of the PA to address the needs and priorities of developing countries, and underlined the need for public and grant-based resources to enable developing country Parties to achieve their NDCs and nationally determined just transitions. It also said that while just transition pathways are determined at the national level, there is also a need to "take into account the principles of equity and CBDR-RC at the global level".

The LMDC then presented its proposal to "establish a Just Transition Technical Assistance Network (JTTAN) to catalyse and connect developing countries with technical assistance, access to finance, and exchange of best practices to support just transitions, monitoring and assessing gaps in just transition support, aligned with the principles of equity, CBDR, and the right to development, while recognising the diverse starting points and national contexts of developing countries and the differentiated impacts of transitions across sectors and communities".

The key elements of the JTTAN are: "(a) Facilitating access to technical assistance and advisory services from regional and international organisations, bodies, networks, and experts on just transition planning and implementation; (b) Serving as a platform for good practices, toolkits, methodologies, and case studies on just transition

strategies, social dialogue, workforce transition planning, and policy coherence; (c) Coordinating capacity-building initiatives tailored to the needs of governments, workers' organisations, local communities, and other relevant stakeholders; (d) Linking developing countries with sources of finance, technology, and capacity building to implement just transition activities; (e) Monitoring and assessing gaps in just transitions support and recommending ways to address them in the broader UNFCCC and financial architecture."

Fiji, for the **Alliance of Small Island States** (**AOSIS**), supported the G77 and China's proposal for establishing an institutional arrangement and also AILAC's proposal of a Just Transitions Platform. It said it would like to see capacity building and training included in the platform.

The European Union suggested including analysis of key findings from the report of the dialogues for high-level messages in order to provide clear policy options for just transitions which can inform actionable outcomes as part of the operationalisation of the work programme. It also said that there should not only be a reference to the summary of the 2023 Forum of the Standing Committee on Finance (SCF) on financing just transition, but also on incentives, investment and enabling environment at the domestic level. As for recognition of support available for NDCs, NAPs (national adaptation plans) and LT-LEDS (longterm low-emission development strategies) that integrate just transitions, it emphasised the need to add "credible and ambitious" NDCs. It also highlighted the need to recognise alignment with the 1.5°C goal as a key message for the JTWP.

In response to the proposal of adding Article 6.8 of the PA to support just transitions, the EU said it required more clarification on what is meant by this. On the reference to Article 9.1 of the PA, the EU said it is being discussed at length in many rooms and the SB Chairs are holding substantive discussions where all these will be considered at SB 63 in Belem, and so it is better to avoid further fragmentation.

In regard to the actionable outcomes, the EU said it must "go hand in hand with ambitious NDCs as the main tool we have is the NDCs and integrating just transitions in NDCs provides a crucial basis [for climate action]. ... The outcome needs to deliver strong messages in achieving the goal of best available science in particular, the whole of society [approach] towards net zero and keeping 1.5°C within reach". It then went on to suggest that the JTWP should give some degree

of specific actionable messages from the dialogue as to how Parties should integrate just transitions in NDCs and NAPs, such as human rights, whole of economy, care economy and leveraging social dialogue, in alignment with 1.5°C pathways.

The EU reiterated that the mandate is for Parties to review the effectiveness of the work programme in 2026 and hence it is premature to discuss the post-2026 work. In response to all the proposed institutional arrangements, the EU said there is much work happening outside the UNFCCC already and the JTWP dialogues are providing opportunities to send signals to existing workstreams (under the UNFCCC) to take into account just transitions, hence its proposal for an analysis of key findings and lessons learnt to send signals to workstreams within and outside of the UNFCCC. Further, it stated that it is not supportive of the guidance or technical assistance network and is in favour of linking the JTWP to the International Labour Organisation (ILO)'s guidelines, while the just transition technical assistance network, it said, looks like the technology implementation mechanism in the UNFCCC.

The United Kingdom supported the EU and stressed energy transition and social protection. It was also concerned about "fragmentation" of discussions on Article 9.1, saying that "there are challenges and issues raised here [which] go far beyond what this room can achieve [and] we are not here on climate finance, not Article 9 or Article 9.1". It recognised support available for NDCs, NAPs and LT-LEDS that integrate just transitions. The UK also did not support any of the institutional arrangements proposed because it said they fundamentally duplicate the structure and further silo just transitions as an outcome. "We all acknowledge just transitions are cross-cutting and not to silo further," it said, adding that "establishing a new mechanism or process removes it from its fundamental content".

Australia said the JTWP should support transition to low emissions in keeping the 1.5°C goal alive, with participation of worker groups and vulnerable communities, and ensuring gender responsiveness and the rights of indigenous peoples. In terms of support for just transitions, it highlighted the need for good governance and an enabling environment. It echoed the UK's comment on not allowing "a proxy climate finance debate" in this room.

New Zealand said Parties should not prejudge the outcome of the upcoming agreed review to discuss any next phase of the work programme. The review, it said, "is here to consider the need of any institutional arrangement". It then called for "robust carbon pricing" and for levelling the playing field so that there is no fear of carbon leakage. It is therefore critical, it said, that "ambitious NDCs are submitted as soon as possible".

Egypt expressed its frustration after hearing the reactions from developed countries with regard to the future of the work programme. It called on the developed countries to "revisit" the proposals made by developing countries as all the proposals "address their [the developed countries"] concerns on silo and fragmentation".

Bolivia, for the **LMDC**, said that substantive consultations on Article 9.1 had yet to take place. "However, the implementation of Article 9.1 is completely relevant; without Article 9.1, we can say there is no just transition."

On synergies within the UNFCCC and across the UN system and beyond

In terms of synergies within the UNFCCC and across the UN system and beyond, generally, developing countries, led by the G77 and China, would like to see synergies with the relevant workstreams and mechanisms within the UNFCCC on finance, capacity building and technology transfer, adaptation, response measures, and loss and damage. Some developing-country subgroups like the Arab Group and the LMDC did not support synergies with the Mitigation Work Programme (MWP), and rejected any invitation to the JTWP to integrate outcomes of the first GST.

Burkina Faso, for the **LDCs**, added that the synergies beyond the UNFCCC need to reference "structural inequality" and "international cooperation".

India, for the **LMDC**, raised some concerns with the term "synergies" and proposed to change it to "Party-driven cooperation".

Developed countries proposed many synergies within the UNFCCC and across the UN system, including but not limited to the MWP, first GST, Gender Action Plan, UN Global Accelerator, referencing the role of private sectors, ILO guidelines, OECD Guidelines for Multinational Enterprises, and NDC partnership.

India, speaking in its national capacity, also raised its concerns over the use of language such as "global" or "international partnerships" as the term has been used in other contexts and there is concern as to whether one would consider these partnerships as "just" or not. (India was

apparently referring to the Just Energy Transition Partnerships – JETPs.) It also questioned the interpretation that "higher ambition is inherently just" in the context of just transitions. It said it would agree with this interpretation if it is rooted in historical responsibilities and equity, pointing to the agreement that this work programme would be implemented in the context of Article 2.2 of the PA. (Article 2.2 states: "This Agreement will be implemented to reflect equity and the principle of CBDR and respective capabilities, in the light of different national circumstances.")

On how unilateral measures will be discussed

Egypt, for the **G77 and China**, said that the Group saw opportunities to reflect the issue of unilateral measures in many areas of the decision text and reiterated the importance of discussing the issue in the JTWP.

Bolivia, for the LMDC, suggested that the topic of cross-boundary impacts of unilateral measures be addressed and discussed as a crosscutting issue in the context of the JTWP. It stressed two of the key messages from the JTWP dialogues: (1) The impacts of unilateral measures and international trade barriers on countries' economies are barriers and obstacles to developing countries' paths to sustainable development and just transitions. (2) The JTWP should promote international cooperation and address the concerns or dis-enablers with regard to the climate-changerelated trade-restrictive unilateral measures, which could affect developing countries' efforts to fight climate change while ensuring sustainable development.

It underscored the need to reaffirm that Parties should cooperate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries. It said policy measures for combating climate change should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on the ability of Parties to pursue just transitions, requesting Parties to analyse, assess and report on the cross-border impacts of unilateral measures taken to combat climate change, recalling Article 3.5 of the Convention.

India stated, "There is agreement between Parties during the adoption of the SB 62 agendas, that unilateral measures will be discussed in relevant agenda items, including the JTWP. This is an important issue for India as unilateral measures

constitute a significant barrier to developing countries in achieving their goals of sustainable development while contributing equitably to climate action. Such measures are in fact exactly contrary to justice, which is the core of what we are discussing here. We think therefore this must be included in a draft decision."

The EU said the term "unilateral measures" is "too narrow to describe issues related to climate and trade". It pointed to both positive and negative, domestic and cross-border impacts of response measures to combat climate change, and highlighted the need to ensure coherence, nonconfrontation and ultimately maintaining "open, clean and fair markets". It said it can find a space to discuss this but it is important not to compromise the seven elements that Parties had agreed upon in the JTWP decision from Dubai.

The **UK** said "unilateral measures as characterised" cannot have consensus. It said discussion is needed on the seven elements of the Dubai decision and "not on issues not agreed by consensus".

New Zealand said the characterisation of unilateral measures is unclear and climate actions are inherently unilateral in nature while carbon leakage is a real problem. Discussion on protectionism and trade distortion requires special expertise, it said, adding that the World Trade Organization (WTO) is the right forum. It said it does not think any decision from COP 30 would add value.

In response to the interventions, **Bolivia**, for the **LMDC**, said the topic of unilateral measures is totally relevant for discussion in the JTWP. If the discussion does not happen in the JTWP, this will risk undermining the trust in the process, said Bolivia, which added that the LMDC will pursue this agenda item in Belem.

The next joint contact group session will take place on 23 June. The Co-Chairs have said that they will circulate a draft text before the next meeting. How the consultations progress is being closely watched.

TWN

Bonn Climate News Update 7

24 June 2025

Published by Third World Network

Work on indicators for Global Goal on Adaptation advances

Bonn, 24 June (Eqram Mustaquem) – In contrast to the delayed start of the climate talks under the UNFCCC's Subsidiary Bodies (SBs) in Bonn, work on adaptation started from the get-go with the mandated event of the Global Goal on Adaptation (GGA) workshop under the United Arab Emirates-Belem work programme (UBWP), which took place for a full day on 16 June.

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The UBWP is set to conclude work on the GGA indicators in time for COP 30 in Belem, Brazil, to be held in November this year.

During the informal consultations on the GGA agenda which began on 18 June, there were clear convergences among Parties on the need to drastically reduce the number of indicators from the current consolidated list of nearly 500 indicators, the need to have in-person workshops with the experts in the upcoming months to further refine the indicators, and structuring of the indicators into tiers of universally applicable "headline indicators" and a menu of optional "sub-indicators".

However, divergences continued between developed and developing countries, with the starkest difference over the indicators on means of implementation (MOI). Developed countries opposed any indicators on finance from developed to developing countries in line with Articles 9, 10 and 11 of the Paris Agreement (in relation to finance, technology and capacity building respectively), whilst developing countries insisted that such indicators are of the essence and that the current framing of the MOI indicators must be refined. They also said that MOI indicators that measure national budgets on adaptation and the counting of official development assistance (ODA) should be removed as they are not in line with the Convention and the PA.

Apart from the GGA, informal consultations also began on national adaptation plans (NAPs),

the Nairobi Work Programme (NWP) and guidance relating to Adaptation Communications (AdComs).

On the NAPs agenda, not much progress was made as Parties could not agree on the mode of work (see details below).

Global Goal on Adaptation

The GGA workshop on 16 June started with presentations by the respective expert groups on their work, highlighting their findings to date, remaining gaps, and challenges to be overcome, followed by a question-and-answer session between the Parties and the experts. There were eight presentations in total, covering the respective thematic areas as underlined in paragraph 9 and the dimensional targets outlined in paragraph 10 of decision 2/ CMA.5 [also known as the UAE Framework for Global Climate Resilience (UFGCR)]. The seven thematic areas are water; food and agriculture; health; ecosystems and biodiversity; infrastructure and human settlements; poverty eradication and livelihoods; and cultural heritage. The four dimensional targets comprise impact, vulnerability and risk assessment; planning; implementation; and monitoring, evaluation and learning.

The workshop followed with a structured discussion among participants on the consolidated list of indicator options, and what further refinements are required to advance the work in order to agree a final list at CMA 7.

The GGA informal consultations which took place on 18 June were co-facilitated by Tina Kobilšek (Slovenia) and Zita Wilks (Gabon). The co-facilitators outlined the work that lay ahead, firstly to continue consideration of the UBWP on indicators, the modalities for work under the Baku Adaptation Roadmap (BAR) and

to continue consideration of the technical paper on transformational adaptation prepared by the secretariat.

Sri Lanka, for the G77 and China, stated that the indicators need to be aligned with the overall GGA, Article 7.1 of the PA and be consistent with the temperature goal of the PA. It proposed that indicators have to be modified where needed and noted the importance of qualitative as well as quantitative indicators. It also highlighted the widening adaptation finance gap and the urgent need to scale up MOI for adaptation in developing countries. It also stressed that the implementation of adaptation action requires MOI indicators to meet the critical purpose of addressing finance, technology transfer and capacity building, and that such indicators should reflect the gaps and needs of developing countries. It also stressed that there are many key aspects missing in the current list of indicators, especially MOI indicators related to access and quality of finance. It called for removal of indicators related to ODA and national budgets from the list.

Botswana, for the African Group, stated that the indicators must be aligned with the purpose of the GGA to show collective progress towards achieving the purpose and objective of the PA; each indicator must have a clear rationale and must answer the fundamental question of how the indicator reflects efforts towards achieving the goals outlined in the GGA. The indicators must constitute a comprehensive framework that provides a holistic picture of adaptation progress, including indicators on climate hazards and impacts and MOI. Botswana wanted the indicators to be aligned with Articles 9, 10 and 11 of the PA and the Convention, adding that it is crucial for such MOI indicators to indicate the sufficiency of support, the direction of support and how such support is closing the adaptation gap. MOI indicators that fall outside of the PA such as internal resource mobilisation and ODA must be removed, it said further. It also stressed that it prioritises quality over quantity, coherence over complexity and ambition over ambiguity when it comes to the indicators.

China, for the Like-Minded Developing Countries (LMDC), stated that whilst it concurred that the indicators should be globally applicable, it is crucial that there must be differentiation between developed and developing countries. It also said that the MOI indicators should be aligned to Articles 9, 10, 11 and 13 of the PA, should address the needs and gaps of developing countries, and

must cut across the thematic and dimensional targets outlined in the GGA. It further said that any indicators on measuring finance should focus on public finance and anything on private sector financing should be excluded, including indicators measuring national budgets and ODA.

As some indicators come directly from international frameworks and conventions outside the UNFCCC, it requested the experts to refine such indicators to be adaptation-relevant and in line with the Convention and its PA. It added that any indicators on mitigation should be removed as the indicators should have an adaptation focus.

On transformational adaptation, it called for a more diverse and varied approach towards adaptation and to not limit discussion on one specific adaptation approach.

Sudan, for the Least Developed Countries (LDCs), reiterated the call to reduce the number of indicators to 100 and provided guidance towards this end, adding that there should be a structure distinguishing headline indicators from sub-indicators. The headline indicators would be the ones globally applicable and the sub-indicators will be the menu of options to be chosen by Parties on their relevance. It also called for MOI indicators to be aligned with Articles 9, 10 and 11 of the PA and rejected the inclusion of indicators tracking national budgets and ODA as it unfairly shifts responsibility from developed to developing countries and obscures the real issue, which is the accessibility of adaptation finance.

Maldives, for the Alliance of Small Island States (AOSIS), agreed with having headline indicators and sub-indicators. It also emphasised that there should be qualitative narratives alongside the quantitative statistical indicators to provide better context and explanation. It also wanted to prioritise the utilisation of existing indicators and to modify them where necessary to be adaptation-relevant as this can allow for Parties to draw from already existing data and reporting. It stressed that it is not opposed to the creation of new indicators but emphasised that it is important to avoid an additional reporting burden and that developing countries would need adequate support and capacity building to report on new indicators. On MOI indicators, it expressed the need for indicators that express developing countries' needs and access to MOI, whilst rejecting any indicators on national budgets and ODA.

Saudi Arabia, for the Arab Group, said adaptation efforts should be nationally driven, inclusive of all adaptation approaches, respectful

of national circumstances, priorities and needs, and supported by adequate MOI from developed countries as per Articles 9 and 10 of the PA. Indicators borrowed from other international conventions and frameworks such as the Sustainable Development Goals and the Sendai Framework should be reevaluated and refined to be adaptation-specific. The indicators must reflect the adaptation responses towards different warming scenarios in the context of the temperature goal of the PA, it said further.

It also said that indicators measuring greenhouse gas emissions and emissions reduction should be excluded as they do not reflect adaptation progress. On MOI, it said indicators should measure the support needs and gaps of developing countries, and it did not support domestic or national budgeting or ODA indicators.

On transformational adaptation, it stressed that no single adaptation approach should be presented as a default, superior or a universally applicable pathway, and that there must be recognition of the role of diverse, locally led, context-specific adaptation approaches that reflect national priorities and needs.

Uruguay, for Group SUR, said there should be two sets of indicators: one that is globally aligned with paragraph 28 of decision 3/CMA.6, and the other a menu of options as referred to in paragraph 20(b) of the same decision. The list of global indicators should include a maximum of 9–10 headline indicators for each target outlined in paragraphs 9 and 10 of decision 2/CMA.5, which would result in a range of between 99 and 110 indicators. The list of global indicators should include a balance between action and MOI indicators; the indicators in the menu of options should allow for vertical disaggregation.

On the concept of transformational adaptation, Uruguay was of the view that the discussion in both the UNFCCC and the scientific community is not mature enough for a substantive outcome this year.

Panama, for the Independent Alliance of Latin America and the Caribbean (AILAC), said that the indicators should have adaptation relevance and directly respond to the GGA targets. It requested that the indicators be clustered according to data availability and that limited data availability should not preclude the inclusion of indicators. It added that the list of indicators needs to be disaggregated according to demographics,

economic characteristics and vulnerability, gender, disability, socioeconomic and indigenous status, and highlighted the importance of systemic analysis of cross-cutting aspects of the indicators.

It also said that MOI indicators on ODA and national budgets should be considered inappropriate and hence should be removed, stressing that MOI indicators are crucial for developing countries and should assess the provision, access and quality of finance whilst addressing the adaptation finance gap. It agreed on the call to have two sets of indicators: one that is globally applicable and that every Party will be invited to report on, and a second set of optional sub-indicators which countries may include in their reports depending on their national circumstances and priorities.

Australia expressed its clear dislike of MOI indicators that bifurcate the framework between developing and developed countries as the indicators should be the same for all and any attempt to divide is contrary to the decisions adopted in CMA 5 and CMA 6. It supported the inclusion of indicators that measure national budgets and encouraged all experts to consider having such indicators in their respective contexts and groups. Whilst saying it is also important to discuss the BAR and transformational adaptation to have a complete picture of the GGA, it emphasised that the focus for the time being should be on the work on indicators.

The **European Union** stated that the indicators on enablers of implementation action, including MOI, should be separated into different categories and should be treated in a balanced manner with all indicators and consider all sorts of finance. It also agreed there should be two components to the indicators: the headline indicators, and sub-indicators that countries can choose and that can provide more context and disaggregation.

After hearing the views of all Parties, the cofacilitators indicated that they would be drawing up a draft text before the next informal consultation.

In the session on 20 June, the co-facilitators said that the first iteration of text was drafted in a way that maintained balance and covered the views from all Parties. On divergent views, they said that where there were clear objections, text options were put forward for Parties to choose from.

On 21 June, Parties engaged in a four-hour "informal-informal" (closed to observers) to resolve differences on the text. Informal consultations are continuing on the matter on 23 June.

National adaptation plans

The 18 June informal consultations on NAPs started off with the co-facilitators, Antwi-Boasiako Amoah (Ghana) and Oliver Gales (Australia), recalling that the work is to assess progress in the process to formulate and implement NAPs, which was initiated at SB 60, continued at SB 61 (which coincided with COP 29) and will continue here at SB 62. At COP 29, Parties requested continued consideration of this assessment on the basis of a draft text with a view to recommending a draft decision for consideration and adoption at COP 30. The co-facilitators stated that the journey has been long and has been back and forth, and invited Parties to start the discussions on the basis of the text

Fiji, on behalf of the G77 and China, said that since decision 9/CP.27 at COP 27, no COP has adopted a standalone NAP decision. It welcomed the first global stocktake (GST1) and called for embedding NAP indicators in the GGA, but expressed concerns over the lack of guidance since COP 27. It noted that at COP 29, Parties requested SB 62 to continue working on NAPs on the basis of the draft text and to recommend a decision for COP 30 later in 2025. This instruction is the mandate and should be the agreed upon starting point, it said, calling upon the developed countries to engage on the draft text in drafting mode paragraph by paragraph.

Developed countries such as the EU and Japan expressed their desire to conclude NAP negotiations at COP 30. However, though these Parties together with Australia and the UK indicated their readiness to engage with the draft text, they preferred that the text be discussed section by section instead of the paragraph-by-paragraph method proposed by the G77 and China.

These developed countries emphasised the importance of private sector language in the text. The UK wanted the language on finance not to be exclusively on private finance but to refer to a mobilisation of finance from a wide range of sources, including both public and private finance. It acknowledged that MOI are an important enabler of the adaptation cycle.

Despite making progress this time where all Parties agreed to continue work on the basis of the draft text – compared with previous SB sessions where developed country Parties often refused to engage with any previous draft text – Parties could not agree on the mode of work on the text and the session ended in a stalemate. The co-facilitators encouraged Parties to meet up and discuss a possible way forward before the next NAP informal consultation scheduled for the next day (19 June).

At the 19 June informal consultations, the co-facilitators inquired on the outcome of the discussion between Parties on the way forward. **Fiji**, for the **G77 and China**, reiterated the previous view of wanting to work on the draft text directly on the screen. The **UK** expressed confusion on the G77's request and called for a combined huddle to discuss and understand it better.

Instead of a huddle, **Fiji**, for the **G77 and China**, in the spirit of moving work forward, submitted to the secretariat a <u>Conference Room Paper (CRP)</u> and proposed that the document be projected on the screen for discussion. The CRP was essentially the original NAP draft text out of Baku but was clustered into sections under different headings.

The EU requested the secretariat to ensure that the CRP was circulated to all Parties before formal engagement and projection on screen. The rest of the session was then spent on the secretariat trying to get the CRP officially published on the SB 62 page and circulated to all Parties.

On 21 June, at the third informal consultations, the EU, the UK and Norway indicated their readiness to engage with the CRP. However, stark differences started to appear between developed and developing countries. The co-facilitators recommended organising informal-informals to allow Parties to further engage with each other.

However, the informal consultations on NAPs in the first week ended without addressing the suggestions due to time constraints, and the next round of informal consultations is set for 24 June

TWN

Bonn Climate News Update 8

www.twn.my Published by

Third World Network

25 June 2025

Call for work programme on implementation of Article 9.1 of Paris Agreement

Bonn, 25 June (Chhegu Palmuu) – At the substantive consultations on Article 9.1 of the Paris Agreement to consider substantive elements regarding its implementation, the **Like-Minded Developing Countries (LMDC)** led by **Bolivia** called for a "work programme" on modalities for the implementation of the Article.

Article 9.1 of the PA provides that "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."

At the start of the second week of the climate talks in Bonn, the consultations were held on 23 June by the Chair of the SBSTA Adonia Ayebare (Uganda) and the Chair of the SBI Julia Gardiner (Australia) to seek the views of Parties.

The LMDC had proposed the inclusion of a new agenda item "Implementation of Article 9.1 of the PA" in the SBI's supplementary provisional agenda, which garnered support from developing countries, thus resulting in a proposal by the G77 and China, but this was flatly opposed by developed countries. Following extensive consultations leading to a delayed opening of the climate talks, Parties eventually agreed to adopt the initial provisional agenda with the following compromise reflected in a footnote to the agenda: "The SBI and SBSTA Chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of Article 9.1 of the PA. The SBI and SBSTA Chairs will take stock of progress on these consultations at SB 62 [the current session] and report back on the outcomes of these consultations at SB 63 [the next session in Belem in November this year] for Parties' consideration with a view to determining

a way forward, including potentially a standalone agenda item on this matter." It is to be noted that this understanding is also to be reflected in the report of SB 62. (See Update 2 for more details.)]

At the request of the LMDC, the two-hour substantive consultations on 23 June were open to observers and livestreamed online. During the session, in response to the SB Chairs' time-limiting of Parties' interventions by cutting off the microphone, Bolivia raised a point of order and strongly remarked that Parties should be allowed to speak without time restriction to truly engage with "clear messages". This was backed by India, which firmly stated that the consultations would otherwise merely be a "cosmetic, ornamental exercise".

Addressing the session, the G77 and China, led by Iraq, said that Article 9.1 "is highly important to developing countries" and highlighted the "importance of the provision of finance to developing countries, which is key to the implementation of climate action. This includes the provision of finance under Article 9.1 of the PA from developed to developing countries, as well as Article 4.3 of the Convention [provision of new and additional financial resources as well as appropriate burden sharing among developed countries for adequacy and predictability in the flow of funds]. Additionally, G77 and China highlights the importance of Article 9.1 interlinked with the NCQG [new collective quantified goal on climate finance] decision at COP 29. The NCQG decision (1/CMA.6, para. 8) reaffirms Article 9".

The G77 and China further stated that "it is important to have an open conversation on climate finance, and this space provides an important opportunity for all Parties ... to engage

in understanding the progress made so far, the provision of finance and experiences related to it, and for better understanding the way forward in ensuring sufficient climate finance is reaching developing countries which includes closing the adaptation finance gap, ensuring that NDCs [nationally determined contributions] and NAPs [national adaptation plans] are implemented".

The **LMDC**, led by **Bolivia**, underlined that "Article 9.1 is the 'weakest link' in the finance discussion. At this stage, it is essential to address the most important issue and the pivotal part of the PA which is implementation of Article 9.1. Current negotiations and decisions on climate finance for the implementation of the PA do not address the concerns around Article 9.1. Developed countries have diluted Article 9.1 in all agenda items (over 18 in number) on finance without any focus on their legal obligations to provide funding. The number of agenda items is irrelevant if developed countries do not address the gap created by last year's climate finance decision [NCQG], which left behind Article 9.1".

It pointed out that "a standalone agenda item on the implementation of Article 9.1 is very important to enable Parties to discuss and evaluate how the Article is being implemented and to suggest a way forward that will aid the understanding of this".

It then emphasised the need for "a work programme on Article 9.1 to decide on the modalities of implementation of the Article". "We want to have the following discussions under the work programme that comprehensively discuss the following topics:

- Addressing the barriers to the provision of finance in developed countries through budgetary reform. We often hear that limitations exist in public funding. Empirically, this is not correct. The resources are there; however, there is no political will to direct them to climate support to developing countries.
- Extent of provision of finance under Article 9.1 and what is needed to be done finance provided by developed countries to developing countries since the adoption of the PA.
- The forms of finance provided and channels of provision, and the leverage ratios that can be achieved by the provision of finance.
- Space for discussion on how the new Fund for responding to Loss and Damage [FRLD] can be sustained with public finance and the

- tripling of adaptation finance under Article 9.1.
- Burden sharing amongst developed countries to establish their 'fair share' of their collective obligations to provide climate finance, which allows predictability, transparency, and accountability.
- Geographical and thematic distribution of finance provision. The allocation of finance provision amongst the developing countries. Sending clear direction to developed countries to better account for geographic balance in their climate finance support and to better account for the different needs, priorities and pathways of developing countries.
- Provision of support for the implementation of developing countries' NDCs, NAPs, and other instruments under the Convention.
- Accountability of the provision of climate finance
- Predictability of financial support for climate action in developing countries, tripling adaptation finance and guaranteeing finance for the FRLD."

The LMDC said further that "the Convention mandates developed countries to take the lead, and this leadership is reflected in legal obligations to provide finance, which is currently not the case. It is a reality that developed countries have financial resources, but they lack political will to provide financial resources to developing countries to address climate change. The obligation under Article 9.1 is in continuation of the obligations outlined in the Convention under Article 4.3 that new and additional financial resources shall be provided to developing countries to meet the full cost of complying with the obligations under the Convention. Article 9.1 is not yet implemented at the levels that our challenges demand. Any implementation of the PA ignoring the full, effective and ambitious implementation of Article 9.1 will not fulfil its purpose. We are only deferring climate action by not providing the means of implementation, in particular, finance to developing countries as mandated by the PA. Ten years after the adoption of the PA, the international community cannot afford further delay in operationalising this critical article. Article 9.1 gets overshadowed in all discussions on finance, because of developed countries' attempts to shift the responsibility onto developing countries. The focus is on shift to private sector mobilisation, domestic resource mobilisation, creation of enabling environments and regulatory reforms. These proposals are

placing the responsibility squarely on the shoulders of the developing countries and are turning the Convention and the PA on its head".

It added that "developed countries undertake policies with serious unintended consequences and battle with protectionism under the guise of climate action – the unilateral trade measures. Private finance will facilitate a new wave of colonialism while cynically raising a climate flag. There is a clear need for enhanced concessional and grant-based funding to developing countries in accordance with Article 9.1 of the PA. Developed countries have to face up to their responsibilities to provide finance to developing countries now".

Venezuela, for Bolivia, Cuba, Nicaragua and Venezuela (Bolivarian Alliance for the Peoples of Our America - ALBA), stated that "the implementation of Article 4.3 of the Convention and 9.1 of the PA are today more important than ever for strengthening the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, in a manner that reflects equity and the principle of common but differentiated responsibilities and respective capabilities [CBDR-RC], in light of different national circumstances. Failure to comply with Article 9.1 leads to an unbalanced implementation of all provisions of the PA. Developing countries face different realities when implementing their NDCs, and for ambition to increase, there must be sufficient and predictable resources. We cannot demonstrate greater climate ambition without the proper implementation of Article 9.1 of the PA".

It highlighted the need "to make visible the consequences of the imposition of unilateral coercive measures, which represent a crime against humanity. These measures cover a broad spectrum, including trade-related aspects, and constitute actions that directly and indirectly affect the capacity to respond to the climate crisis and the response capacities of States to guarantee the right to development and basic rights. Unilateral coercive measures affect the ability to receive the financial resources so desperately needed for development in general and for climate action, in particular".

Saudi Arabia, for the **Arab Group**, said "we are not surprised that our partners were not in favour of discussing this matter in formal negotiations ... It is an open secret that such discussions, on a legally binding obligation, are considered to be contentious. This open secret is known to all...". Responding to arguments made

by developed countries that there are enough agenda items on finance and that Article 9.1 can or is already being discussed, it commented that "the strategy is to dilute the issue of Articles 9.1 [of the PA] and 4.3 [of the Convention] in finance agenda discussions slowly shifting the goalpost, shifting the focus onto others and deflecting responsibility. This is clearly demonstrated in attempts to so-called streamline the agenda and shift the focus to voluntary South-South cooperation".

It said further that the "failure to deliver on previous finance commitments and pre-2020 mitigation targets is only leading to higher adaptation and loss and damage needs", and pointed out that "Annex I countries [developed countries defined by the Convention] are responsible for 79% of historical emissions, while the 22 Arab states are responsible for less than 2%". "This process outlines equity and CBDR at its core, finance operationalises them".

It added that "there is enough public capital in developed countries to close the gap to USD 1.3 trillion by 2035. The open secret is that there is no political will. Less than 1% of developed countries' GDPs will close this gap today". It called for "a space to discuss how we can finally set in place burden-sharing arrangements, standardised accountability mechanisms, where to place this public capital in the climate finance landscape to de-risk and catalyse further flows, how to transform outdated budgetary processes to respond to the urgent climate needs of today, [and] how to overcome barriers to resource generation in developed countries by innovative instruments".

The **LMDC** proposal for a work programme on Article 9.1 was also supported individually by **India**, **China**, **Pakistan**, **Egypt**, **Nigeria** and **Morocco**, with **Colombia** expressing support for the inclusion of a "standalone agenda item" on Article 9.1.

Tanzania for the African Group, Grenada for the Alliance of Small Island States (AOSIS), Malawi for the Least Developed Countries (LDCs), Chile for the Independent Alliance of Latin America and the Caribbean (AILAC), and Uruguay for Group SUR (Argentina, Brazil, Uruguay, Paraguay) reiterated the importance of the legal obligations and commitments of developed countries to provide climate finance to developing countries to implement climate action, firmly anchored in both Article 4.3 of the Convention and Article 9.1 of the PA.

On the other hand, **Switzerland**, for the **Environmental Integrity Group (EIG)**, offered,

as a "constructive way forward", an alternative "package" proposal of "three new agenda items": first, under the CMA (meeting of the Parties to the PA) on the implementation of Article 9 as a whole; second, under the COP on the implementation of Article 4.3; third, under the SBI on matters related to finance. It said that this new structure will "replace all agenda items under the COP and the CMA". This proposal was seconded by the European Union, Australia, New Zealand, Canada, Japan, Norway, Iceland and Monaco.

Responding to the proposal, **South Africa** strongly critiqued that it is a "serious backtracking". Eight years ago, it was agreed and decided to move finance agenda items to the COP, it noted, so it "doesn't make sense" to have them under one omnibus agenda item. Hence, it said, it could not support the "solution" offered. It also pointed to

Article 11.3(d) of the Convention (on predictability and clarity on climate finance and its periodic review) which seems to be "ignored"; after being "blocked by developed countries", eventually a mandate (on biennial communications in relation to Article 9.5 of the PA) was agreed in 2018 at COP 24, which demonstrates the "historical problem" that if finance issues are not on the agenda, then they don't get discussed.

In closing the substantive consultations, SBI Chair Gardiner summarised the different views expressed by Parties in relation to proposals for a standalone agenda item on Article 9.1 as well as the EIG's proposal, adding that the SB Chairs will take stock as mandated and report back at SB 63. Bolivia took the floor and reminded the Chair to mention in the report the LMDC's proposal for the establishment of a work programme on Article 9.1.

TWN

Bonn Climate News Update

www.twn.my Published by

Third World Network

30 June 2025

Fractious climate talks set stage for COP 30 wrangles in Brazil

Penang, 30 June (S. Hui/Radhika Chatterjee) – Following fractious climate talks in Bonn under the UNFCCC's Subsidiary Bodies (SBs) that began on 16 June and ended 26 June, Parties agreed to undertake further negotiations in Belem, Brazil, setting the stage for major wrangles at COP 30 to be held in November this year.

The closing plenaries in Bonn were presided over by the Chair of the Subsidiary Body for Implementation (SBI) Julia Gardiner (Australia) and the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA) Adonia Ayebare (Uganda) and ran over time, ending around midnight of 26 June.

The Chairs of the SBs had organised the closing plenary into two parts: the first part beginning in the afternoon of 26 June, where closing statements from Parties and observers were heard (see highlights below), and the second part to adopt the conclusions of the work done in Bonn.

Following the closing statements in the evening, several negotiators were seen engaged in intense huddles outside the main plenary hall of the meeting venue, discussing ways to overcome a deadlock over the Global Goal on Adaptation (GGA), after they had wrapped up work on other agenda items during the day. At the heart of the deadlock was the guidance to be given to experts working on the indicators in relation to the means of implementation (MOI), specifically on finance. The deadlock was finally resolved after about four hours of consultations that were held at the level of heads of delegation (HoDs). Agreement was finally reached on a way to reference the MOI indicators, including on finance, in the conclusions, which then led to the quick resumption of the closing

plenary to adopt all the conclusions reached on the various agenda items dealt with in Bonn.

Procedural conclusions were adopted on several key matters like the Just Transition Work Programme (JTWP), the Mitigation Work Programme (MWP), and the UAE dialogue on implementing the global stocktake (GST) outcomes. In respect of these matters, Parties agreed to conduct further work at the 63rd sessions of the SBs, which will take place in conjunction with COP 30. In this regard, the work conducted in Bonn was captured in informal notes prepared by the respective co-facilitators of the informal consultations. The notes are in brackets, indicating a lack of consensus, whilst the divergent views of Parties were reflected as options in the various

Some matters on which Parties could not advance further work were subjected to Rule 16 of the UNFCCC's draft Rules of Procedure, where consideration of these matters will be taken up afresh at SB 63. These include the Technology Implementation Programme (TIP), and "review of the progress, effectiveness and performance of the Adaptation Committee".

The Bonn talks have clearly set the stage for the big clashes that will happen in Belem, and Parties in their closing statements expressed their respective concerns.

Highlights of closing plenary statements

Iraq, for the **G77** and **China**, said it appreciated the progress made in agenda items related to the JTWP, transparency (framework), gender, agriculture, loss and damage, and the

GST, but also expressed concern over "the unfortunate lack of constructive engagement by some developed country Parties across several key agenda items, which risks undermining trust and progress".

Iraq said that "the Convention is central to our work. It is the foundation on which we stand. It is the key towards having an enhanced multilateral climate change regime that is fair, balanced, equitable, and reflects our common goals and aspirations, our differentiated responsibilities, and our respective capabilities, consistent with science and responsive to the realities of climate change that is happening now in our countries. The principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), in the light of different national circumstances, are central and should be upheld, as they are the basis for our collective ambition to combat climate change".

It said further, "The Paris Agreement enhances the Convention which remains central to our work. In this sense, it is of great relevance to continue and strengthen the reporting by Annex I Parties [developed countries] of their implementation of their commitments under the Convention with respect to mitigation and the provision of support to non–Annex I developing countries."

Elaborating further on the group's priorities, it said, "Advancing the GGA remains a top priority. It must centre on the real needs of developing countries and be consistent with achieving the temperature goals of the PA. Adaptation approaches, including the development of indicators for the GGA framework, must fully respect national contexts and capacities. Developing countries must be given adequate time, flexibility, and policy space to shape these indicators in a manner that reflects their realities and priorities."

Iraq also highlighted that "MOI for developing countries is a key priority" and that a "balanced approach is needed that supports both mitigation ambition and development priorities, and not impose prescriptive pathways". On just transitions, it reiterated that "nationally determined contributions (NDCs) are central to just transition pathways. Just transitions are pathways that are nationally defined, respect national sovereignty, and aligned with broader objectives of sustainable development and poverty eradication".

It elaborated that "in a context when we are all doing efforts to increase our climate action", it is important to continue substantive discussions to take decisions on the implementation of Article 9.1 of the PA (on the provision of finance by developed countries). It also described as an issue of serious concern the growing impact of unilateral economic coercive measures on the capacity and ability of developing countries to meet their obligations under the Convention and the PA. (These two items on Article 9.1 and unilateral measures saw an agenda fight on the first day of the Bonn climate talks.)

Bolivia, for the Like-Minded Developing Countries (LMDC), expressed frustration at the slow progress in Bonn, saying that "we have faced a lot of resistance from our developed country partners in moving forward agenda items that would support actual implementation of the PA". Explaining further, Bolivia said it has faced pushback from developed countries in advancing key issues such as: (a) the implementation of the TIP and scaling up technology transfer for developing countries through the TIP; (b) the proposal from developing countries to establish an institutional arrangement for just transitions; (c) the Adaptation Fund to start receiving the share of proceeds from the Article 6.4 mechanism (of the PA on cooperative approaches) and the need to reference MOI in the GGA indicators; and (d) addressing the dis-enablers to climate action such as unilateral measures.

Bolivia stressed further that developed countries also refused to discuss how their finance obligations under Article 9.1 of the PA can be implemented and "blocked proposals from the LMDC in [advancing] Article 6.8 [of the PA] on non-market approaches". It added that "our partners prefer to talk about having more dialogues, obfuscating the real issues underlying their failure to fully comply with their longstanding commitments since 1994. There remain many, many unfulfilled promises ... and as if to add insult to the injury, against our needs which run into trillions of dollars, developed countries chose to offer to mobilise only USD300 billion for the NCQG [new collective quantified goal on finance]".

"In spite of all these, the fact that we are gathered here around the table today is a testament to our commitment to multilateralism and international cooperation. It is 10 years of the PA, but it is 30+ years of the Convention. We have stayed the course," said Bolivia.

"As developing countries, with huge development challenges, poverty eradication goals, and facing climate impacts, we are stressed and stretched. Fortunately, our partners in the developed world do not face such challenges. They have had

many, many years to develop. Unfortunately, for us, this is not the case. But our partners do not appear to understand that we have different starting points. It is a highly unequal world. And yet we are slapped with unilateral coercive measures that further impact our development," said Bolivia, pleading for the "need to inject good faith in this process".

Bolivia stressed that "COP 30 needs to inspire all of us to implement the PA, grounded squarely on the principles of the Convention, equity and CBDR-RC, while unlocking the provision of public finance through implementation of Article 9.1 [and] seriously addressing trade-restricted unilateral measures. The political position of developed countries attempting to change the PA to shift the responsibility of climate change onto the shoulders of developing countries is not only unacceptable but also unethical".

Venezuela, speaking for Bolivia, Cuba, Nicaragua and itself (ALBA), highlighted the need to address the consequences of the imposition of unilateral coercive measures. It said "these are crimes against humanity and they affect many different sectors including trade, and we see direct and indirect impacts on our capacity to respond to the climate crises and ... development. ... We have to think about the impact that these measures have on the lives of each and every one of us".

Palau, for the Alliance of Small Island States (AOSIS), said, "Acting upon the latest and best available science to keep 1.5°C in reach is a priority for AOSIS." Commenting on the Research and Systematic Observation (RSO) agenda, it said, "We have heard crucial scientific updates..., including information on escalating risks, especially beyond 1.5°C. However, the alarming information shared in the research dialogue is not reflected anymore in the RSO conclusions that are still being discussed." It pointed to the many compromises it already had to make simply to reflect scientific facts, and said that mere mention of 1.5°C seemed to be a red flag for others.

On adaptation, Palau said, "We are still trying to give the mandate and guidance to the experts to continue working past Bonn to provide a much smaller refined package of adaptation indicators. ... As said, we do not have the capacity to undertake adaptation action without the required MOI." On loss and damage, it said that "AOSIS remains fully committed to securing a strong action-oriented outcome on the WIM review [Warsaw International Mechanism for Loss and Damage] at COP 30 which strengthens loss and damage landscape and

delivers on the most vulnerable and sends a clear political signal that loss and damage is a pillar of climate action".

On the JTWP, Palau emphasised that "we can only be just if it's fair, equitable and inclusive. It must be one that prioritises the 1.5°C [goal] of the PA and it must be one that recognises the most vulnerable. ... For AOSIS, there is no just transition without a phaseout of fossil fuels. There is no just transition without renewable energy access. It is all our responsibility to ensure a safe, just and sustainable future for present and future generations".

Malawi, speaking for the Least Developed Countries (LDCs), expressed disappointment over the "slow progress" on the important agenda items that are pertinent to them, including the MWP, loss and damage including the WIM, and the JTWP. Calling adaptation an urgent priority, it said it had "hoped for Bonn to set a clear path toward ambitious outcomes on the GGA and on NAPs (national adaptation plans) at COP 30". It also said that LDCs can "show leadership to the whole world on NAPs and NDCs, but without MOI, these were made empty promises". It added that the "NCQG outcome in Baku failed us". It wanted the COP 29 and COP 30 Presidencies to "fix what was broken in Baku by delivering a roadmap to USD 1.3 trillion that champions transparency, enforces accountability and puts the most vulnerable at the centre. We must triple adaptation finance in Belem across the board".

Chile, for the Independent Alliance of Latin America and the Caribbean (AILAC), said, "We see a growing trend to weaken multilateralism and for short-term economic interests ... we will continue to defend the PA as we've done in the past as the framework on the basis of which we must progress, also seeing that its potential hasn't been fully realised." It said that "to keep the 1.5°C [goal] alive, we need medium-term action and high-impact action which strengthens resilience and mobilises financing at the level that we need". On the Baku to Belem Roadmap to 1.3T, it said it hoped "the Presidencies can present a roadmap [which enables] us to identify, to improve financing and allow us to be more effective".

Tanzania, for the African Group, expressed concerns over the slow progress in Bonn. On loss and damage, it said the progress which has been made lacks concrete timelines and "we continue on relying on uncertain resources and the lack of quantified financial targets". Commenting on the enhanced transparency framework (ETF), it

said that while there is progress in terms of the submission of the first Biennial Transparency Reports (BTRs), "we note that the success of the ETF depends on sustained and adequate financial, technical and capacity building support which is still lacking".

On NAPs, it said that "the effective implementation of NAPs is contingent upon predictable concrete and quantified financial support" and urged Parties "to ensure that we have meaningful decisions on this issue at Belem". On the Adaptation Fund, it reiterated the provision of adequate resources through Article 9.1 of the PA. On agriculture, it said that financial support for agricultural adaptation remains vastly insufficient.

On the JTWP, it said that "discussions must reflect the principles of the Convention, especially CBDR-RC. For Africa, access to affordable energy for over 300 million people and clean cooking for over 900 million people remains a priority in the just transition discussions". It also had concerns over the limited progress in enhancing the mandated functioning of the Climate Technology Centre and Network (CTCN), and said that strengthening the national designated entities and reinforcing the linkages between the technology and financial mechanisms is critical and essential. "We therefore urge acceleration of the TIP, in alignment with the NDCs, NAPs, Technology Needs Assessment (TNA) and Technology Action Plans (TAPs) outcomes."

On the MWP, it noted with concern that "the erosion of the trust and transparency in this process is diminishing the participation of many African countries ... [which] face high mitigation costs embedded in the NDCs with inadequate support for implementation". "High ambition in mitigation must be matched with high ambition in support, particularly for financial support," stressed Tanzania.

Uruguay, speaking for Brazil, Ecuador, Paraguay and itself (Group SUR), said that the multilateral process has a very clear goal, i.e., to move towards the implementation of financing for climate change for developing countries and to strengthen the JTWP. It hoped that we "will achieve a substantive outcome on the GGA, which will clearly guide the work of the experts and will adopt a fair resolution in Belem. We have to have indicators that will allow us to measure and close the financing gap for adaptation, amongst others". On climate finance, it noted that on the NCQG, "the credibility of the system now depends on having effective contributions which are predictable and

we also have to consider the needs of the most vulnerable countries".

"There can be no real climate ambition without recognising the asymmetrical situation of our countries' needs ... we will always defend the principle of CBDR-RC and there must be fair climate action on the basis of the recognition of poverty eradication. In Latin America, we continue to be one of the most vulnerable countries and the most committed to climate goals, but we received little funding and we therefore continue to highlight this imbalance," said Uruguay.

On the MWP, Uruguay said, "The digital platform can be a useful tool for developing countries. We reiterate that any mechanism must do so by respecting the principles of the Convention, avoiding undue pressure being placed on developing countries." On the UAE dialogue, it commented that the outcome in Bonn "can be a starting point reflecting the different positions", and it looked forward to "focusing on the solutions" in Belem. "We need to step up our work in order to meet the 1.5°C goal. Multilateralism is not just an institutional framework; it is a political ambition in this world where we have inequality and pressing needs," said Uruguay further.

Saudi Arabia, for the Arab Group, reiterated "the importance of moving from negotiations to international cooperation, and abid[ing] by the UNFCCC and the PA, which must be based on transparency as well as the principle of CBDR-RC". It said that, "as we look forward to COP 30, we believe we must focus on adaptation, mitigation, as well as evaluating the negative impacts of climate policies or response measures". It then highlighted the "importance of linking adaptation with the capacity and challenges to mitigate and adapt and to be able to face adverse impacts of climate change in relation to the temperature goals in accordance with Article 2 of the PA, while taking into account national circumstances".

With regard to the UAE dialogue, it said that it is important to "take into account the positions of all Parties and the principles of UNFCCC without any selectivity". It also urged the developed countries to abide by their financial commitments in accordance with Article 9.1 of the PA. It also reiterated that "just transitions must be comprehensive and nationally determined, in line with CBDR-RC and through the proper channels, such as NDCs, without any pressure". It highlighted the need to reduce the social and economic impact of response measures, calling this "a priority for developing countries".

The **European Union** said that "the new NDCs will demonstrate the global level of ambition while the Biennial Transparency Reports will reflect the global status of implementation". It called on the Brazilian COP 30 Presidency to "lead all Parties towards a negotiated outcome, reflecting on progress, opportunity and inclusive growth emanating from the expected NDC and BTR synthesis reports".

The EU said it is finalising its new science-based, 1.5°C-aligned NDC and will submit it in time to be reflected in the NDC synthesis report. Informed by the upcoming proposal by the European Commission and to be agreed through the EU's internal processes, the EU's NDC, it added, will reflect its determination to accelerate global progress in the achievement of PA goals. The NDC will "show how the EU is already implementing the recommendations from the first global stocktake and will continue to do so. We assure our partners that the EU will uphold and honour its climate finance commitments in line with the NCQG agreed in Baku".

It also reiterated its expectation that "the technical work on the GGA indicators must continue in a manner that preserves the delicate balance achieved in Baku". It also expressed happiness "to witness progress on the Adaptation Fund after so many years of deadlock". On the JTWP, it said "a just and equitable transition remains central to our discussions under the UNFCCC. We remain committed to engaging constructively with all partners on issues of concern in a spirit that is both respectful and solution-oriented".

On the UAE dialogue, the EU said it sees the dialogue as "the space to carry forward our collective commitments under the first GST in a transparent manner. We had hoped to conclude its modalities here in Bonn". It also added that "despite difficulties, we made here a step forward towards a substantive decision on the MWP at COP 30", and it looked forward to discussions on the TIP in Brazil.

Switzerland, for the **Environmental Integrity Group (EIG)**, said that "Belem will be judged by whether our collective NDCs are ambitious enough to uphold the 1.5°C objective. ... We look to the incoming COP 30 presidency to lead with urgency and to deliver a 1.5°C action

package at COP 30. We need to come together in Belem to provide the global response to the NDCs and show that we are serious about implementing our commitments".

Switzerland also said that "Bonn should have been the moment to engage and instead we regret that discussions were derailed, diverting energy away from the substance that truly matters: how we halt deforestation, restore ecosystems and support communities on the frontline. On adaptation, we are pleased to leave Bonn with texts that get us closer to deliver a framework with clear meaningful indicators to help us track progress towards the GGA." It said that the NCQG "is the starting point of a new climate finance era", adding that "some EIG members are already advancing domestic processes to unlock commitments. We encourage others to do the same. The roadmap towards the USD1.3 trillion objective should aim to offer clarity and confidence to all. We also expect the Sharm el-Sheikh dialogue [on Article 2.1(c) of the PA] to provide actionable recommendations on how to strengthen an enabling environment and align financial flows with climate goals in a manner that respects each country's decision making and pace of implementation".

On the JTWP, Switzerland said "we look to Belem to deliver a substantial decision and a toolbox on just transition that countries can use on the ground to really ground their 1.5°C-aligned NDCs in just transition. We're pleased that we can leave Bonn closer to this objective".

Australia, for the Umbrella Group, reiterated its call "for all major economies to put forward ambitious, credible and economy-wide NDCs that are guided by the best available science in the GST and aligned with 1.5°C before the end of September".

"With a global investment in the net zero transition growing exponentially, these NDCs are an unmatched opportunity to attract and stimulate investment, support for development and to avoid being left behind as the world changes. We ask the incoming COP 30 Presidency to give political profile to the importance of ambitious NDCs, provide space in the negotiations at COP 30 to reflect on our collective progress and to discuss practical opportunities to drive implementation, investment and cooperation," said Australia.

TWN

Bonn Climate News Update 10

www.twn.my Published by

Third World Network

1 July 2025

Key issues on mitigation talks deferred to COP 30 in Brazil

New Delhi, 1 July (Radhika Chatterjee) – At the recently concluded climate talks in Bonn, Parties adopted a procedural outcome for the Sharm el-Sheikh Mitigation Ambition and Implementation Work Programme (Mitigation Work Programme, MWP), deferring the key issues to be decided to COP 30 in Belem later this year.

Taking note of an <u>informal note</u> produced by co-facilitators Ursula Fuentes (Germany) and Maesela John Kekana (South Africa) under their "own responsibility", Parties agreed to continue further consideration of matters on the MWP at the 63rd session of the UNFCCC's Subsidiary Bodies (SB 63) (to be held in November this year), and adoption of a decision at COP 30.

Spread over eight informal consultations, the MWP discussions focused on three key issues: what would be required to make the discussions a "safe space" (see Update 5 for details), the digital platform that was first proposed at COP 29 by **Brazil** on behalf of **Group SUR** (for facilitating the implementation of mitigation), and the structure of the draft decision that would be further considered at the next SB session and COP 30.

The discussions over the structure of the draft decision, held mostly during the second week of the SB sessions, were the most contentious. The key areas of divergence amongst Parties included: whether to include any high-level political messages and actionable recommendations from the fifth and sixth global dialogues; whether there should be any linkage between the MWP and Parties' nationally determined contributions (NDCs), especially including a reference to the NDC synthesis report (which is expected to be published by the UNFCCC secretariat prior to COP 30) and making NDCs aligned to the 1.5°C goal; whether to take up further consideration of

the digital platform under the MWP; and whether to review and discuss continuation of the MWP after 2026.

A main bone of contention for developed countries and supported by the Alliance of Small Island States (AOSIS), Independent Alliance of Latin America and the Caribbean (AILAC) and the Least Developed Countries (LDCs) is that since COP 29 last year, their calls for the MWP to be the vehicle to implement the outcomes from the first global stocktake (GST) through "high-level messages", have not been met, especially relating to paragraph 28 of the GST decision (on global mitigation efforts in relation to energy, including transitioning away from fossil fuels).

Further, developed countries European Union, the Environmental Integrity Group (EIG), the United Kingdom, Australia, Norway and South Korea, along with some developing countries like AOSIS, AILAC and the LDCs, wanted to discuss high-level political messages from the fifth global dialogue, include a reference to the NDC synthesis report and align NDCs to the 1.5°C goal. They insisted on keeping in mind the "urgency" of the situation. They also stressed the need for discussing the assessment of the MWP and its continuation after 2026. They expressed reluctance to having further discussions on the digital platform and a possible decision towards its establishment at COP 30 because they felt setting up such a platform would be a complex task and they were not able to see what "value add" the platform would bring to raising mitigation ambition under the MWP. They also said that setting up the platform at a global level would be beyond the mandate and duration of the MWP.

On the other hand, several developing country groupings and Parties including the **Like-Minded**

Developing Countries (LMDC), the **African Group** and the **Arab Group** stressed the need to ensure that any political or high-level messages included in the informal note should be "non-prescriptive, non-punitive and facilitative" (as per the mandate of the MWP), and that it should not impose any targets on countries.

On the issue of linking the MWP to NDCs and making NDCs aligned with the 1.5°C goal, **India** said that it was "almost impossible" to look at the alignment of individual NDCs with the 1.5°C goal because NDCs were national in nature while the temperature goal was global. If at all such alignment has to be looked at, it added, it will have to be done in accordance with the principles of CBDR and equity.

Further, developing countries including the LMDC, the African Group, the Arab Group, India, Egypt, South Africa and Ghana also stressed the need for references to the principles of the Convention and the Paris Agreement and the mandate of the MWP. In particular, they wanted to include reference to the principles of equity and CBDR. They expressed a keenness to focus on discussing further improvements to the global dialogues and investment-focused events (IFEs) held under the MWP. The African Group wanted to discuss ways by which the "pitch hub" events under the MWP could be brought back. They stressed the important matchmaking role played by these events in connecting donors to project proponents and also highlighted the potential role that the digital platform could play towards this, thus helping developing countries to scale up mitigation ambition and implementation.

Several developing country groupings including the LMDC, the African Group and the Arab Group also pointed out that as per the mandate, the continuation of the MWP is to be till 2026 (before the adoption of a decision on extension) and not 2025. Egypt said any attempt to bring forward that discussion to 2025 would amount to changing the mandate.

(The MWP decision 4/CMA.4 adopted in 2022 states that "the work programme shall be operationalized 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 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.)

(It is to be noted that the informal note from the SB 62 session in Bonn states that "The co-facilitators would like to highlight that the objective of the Sharm el-Sheikh mitigation ambition and implementation work programme shall be to urgently scale up mitigation ambition and implementation in this critical decade in a manner that complements the GST." The informal note also, in a footnote, reflects the mandate of the MWP as being "non-prescriptive, non-punitive and facilitative".)

Highlights of key interventions

China, for the LMDC, said it would like to see principles of the Convention and the PA and the mandate of the MWP reflected in the preamble of the informal note. In the context of the IFEs, it highlighted the digital platform and said "the digital platform is born from the IFEs" which are trying to link investment with mitigation projects. It rejected the idea of discussing next steps for the MWP and its continuation and said "there is no value add [in that] ... this decision [referring to the decision to be adopted in Belem] is about the current mandate of the MWP. The timeframe [of the MWP] for us is 2023–2026". It said the next steps should be discussed in 2026 after the conclusion of the programme and right now the discussion should be focused on COP 30 which will happen in 2025. It said discussions on improvements on modalities of the MWP should focus on the global dialogues and IFEs and the advancement of the digital platform. It said it did not see value in linking the MWP to NDCs. Expressing confusion about reflecting messages for the new NDCs (the next set of NDCs from 2031-2035), China said, "We are still in the first implementation period of the first NDCs (2021–2030), the second NDCs will cover the period 2031 onwards. [We] don't see the value and logic of what we discuss here, and what will be reflected."

Saudi Arabia, for the Arab Group, said it would like to see a reference to principles of the PA, equity and CBDR in the preambular section of the decision. It asked for the deletion of reference to continuation of the work programme in the informal note as that is something "that has to be discussed in 2026". It also asked for placeholders for representing any key messages from the global dialogues and IFEs of this year. It said discussions related to the improvement of the MWP would relate to the digital platform.

Zimbabwe, for the African Group, said the preamble of the decision could recall principles including CBDR, and highlight science, objectives and the mandate of the MWP. It stressed the need for keeping in mind the non-prescriptive, non-punitive and facilitative nature of the MWP's mandate. It asked for a discussion on improvement of the work programme instead of focusing on "improvements to the implementation of MWP". It highlighted the need for bringing back the pitch hub events in the IFEs held under the MWP (the fifth IFE did not organise a pitch hub event, marking a departure from previous years) to facilitate matchmaking of finance with mitigation project implementors. It expressed an openness to continuing discussion on the digital platform with a view to understanding its aims, purpose, objective and what the "platform would look like". South Africa and Ghana shared views similar to the African Group.

Egypt expressed disagreement with inclusion of a reference to the NDC synthesis report in the informal note as that "is outside the mandate and modalities of MWP". It added, "We continuously explained [that the] outcome of the MWP is not prescriptive. We don't agree with any prescription to be provided under the MWP." On the issue of the continuation of the work programme, it said "we heard views of Parties on alternatives to what the MWP should be doing. We interpret this [as being] that some Parties are thinking of changing the mandate, which is not welcomed or acceptable".

On the advancement of the digital platform, it said that "attempts to destroy any advancements with a tool that would be useful for developing countries are not really welcomed". It was concerned that "many groups only care about key messages on paper and achieving wins in the negotiations, and not really caring about achieving results on the ground. The MWP can be a powerful tool for facilitating real action on the ground but unfortunately, it seems that this is either not understood until now or there is no willingness to understand the real benefits that the MWP can bring." It added that "attempts to push the action on the ground to the action agenda under initiatives outside of the [UNFCCC/PA] process are not welcomed, as this shows the real intention to only have the MWP as a place for putting more pressure on Parties through political messages instead of providing a tool which would advance real action on the ground. Implementation of action is the objective of the UNFCCC and the PA."

India said the MWP should be reviewed in 2026 and that "there is no basis to discuss the future right now". Responding to the proposal of aligning NDCs to the 1.5°C goal, it said it was "almost impossible" to look at the alignment of individual NDCs to the goal because NDCs were national in nature while the temperature goal was global. If at all such alignment has to be looked at, it will have to be done in accordance with the principles of CBDR and equity, it said. It added, "There can be no direction that can be provided for NDCs, [rather] we are to learn from the MWP for our NDCs." It said "giving any directive for our NDCs will be outside the mandate of the MWP and the PA." Responding to calls for including references to the best available science, it said it was not in favour, given the "divergent views on what should be conveyed from science" and the fact that the MWP "is not the space for opening a discussion on science, which is happening in other rooms." It said it was too early to include any key messages from the fifth and sixth global dialogues in the informal note in the absence of dialogue reports.

Brazil said there is significant interest in how the digital platform could be applied to the task of facilitating mitigation action, adding that it is a "tool to enhance mitigation action" and that its functionalities need further discussion. It said the digital platform offers "multiple possibilities" and that there is a need for discussing matters related to the platform's governance, functions and piloting. Regarding governance, it said the question of who should be able to access features of the platform needs to be addressed. It pointed out that the technical issues related to the platform are "not intuitive to non-technology people" and there is a need to have further discussions on it. It said the platform "does not replace the global dialogues and IFEs". Rather, it would provide for "true cooperation" amongst countries, actors on the ground and financial stakeholders.

Bolivia said the digital platform could be an important tool if Parties are able to create something that can address concerns related to enhancing ambition of mitigation action. It said in the context of the PA there is a need for "not only mitigation-centric perspective" but to address mitigation and adaptation together. This understanding is based on Article 6.8 of the PA which refers to non-market approaches. It said the digital platform could be a tool to strengthen

the web-based platform that has been set up under Article 6.8 and to make it more dynamic so that Parties can include non-market approaches in the implementation of their NDCs.

Samoa, for AOSIS, said it would like to see references to the latest available science as that is the foundation of the MWP's mandate. It called for reflecting a commitment by Parties to the 1.5°C goal as that is something that the small island states need to stay alive. It also asked for the implementation of paragraphs 28 (on transitioning away from fossil fuels) and 33 (addressing deforestation) of the GST at COP 30 and for inclusion of a reference to the NDC synthesis report. It said the decision should also reflect a message to Parties preparing their NDCs for 2030 and 2035 to submit new and updated NDCs that are aligned to the 1.5°C goal. Highlighting the importance of discussing the continuation of the work programme, it said "this is a critical section to be included [in the draft decision structure] in line with the timeline of the work programme". It also asked the secretariat to prepare a technical paper to assist Parties to deliberate on the MWP and consider its outcomes on mitigation, finance, technology and capacity building.

Expressing its wariness towards the digital platform, AOSIS said it "remains unclear to us what problem the digital platform is trying to solve. How will it address meaningfully the needs of small island developing states?" It said integrating national platforms with the digital platform through interoperability would "take years" and that the MWP "cannot be the right place to continue discussions and develop the platform". It suggested this is something that could be taken up by Brazil as a COP Presidency initiative to "seek greater buy-in" for the platform.

Colombia, for AILAC, raised concerns about the "few results" the MWP has yielded and asked for a discussion on improving opportunities under the MWP in line with its mandate and to "ensure coherence with outcomes of the GST". It supported the idea of including key messages for implementation of mitigation ambition from the global dialogues, and also asked for including a reference to the 1.5°C goal in the context of raising mitigation ambition. It said there is a need to discuss continuation of the work programme after 2026. Regarding the implementation of the MWP, it said "improvements should not only be limited to the organisation of the global dialogues and IFEs" but must also focus on the "effectiveness" of the MWP. On the digital platform, it said consensus is "not there on moving forward with the digital platform for the MWP". It said expansion of the platform beyond areas of mitigation could be discussed "separately" as a Presidency initiative and that the "platform discussion has drawn [Parties] away from the MWP's key objective".

Bangladesh, for the LDCs, said it would like to include reference to the NDC synthesis report in the draft decision structure. It said the MWP is the "only agenda item dedicated to mitigation" and the only space where Parties can talk about "mitigation ambition" and implementation of the next round of NDCs. It said "some decisions that were taken last year should be considered again in terms of improvement of the process and should be taken into consideration next year". It highlighted the need to discuss continuation of the work programme and said Parties "should have a clear understanding" of "what to do with the work programme after 2026". It suggested that Parties should be invited to submit their views on whether to continue the MWP beyond 2026.

The EU said it is important to have a discussion on key messages from the global dialogues and the high-level roundtable ministerial meeting on mitigation. It pointed out the need for referencing urgency, the 1.5°C goal, best available science, NDC synthesis report, and improvement of the MWP itself. It stressed the need for discussing continuation of the work programme as that would "inform the necessary scale of ambition" in the future. It also called for exploring potential synergies with other work programmes like the Just Transition Work Programme to improve the outputs of the global dialogues. It asked for deleting the reference to the digital platform from the informal note and said "the aim of this platform is addressing much larger things than can be addressed by the scope of the MWP". It can therefore be addressed "outside of the MWP" and would need engagement of a wide range of stakeholders to "increase mitigation action on the ground".

Switzerland, for the **EIG**, said there is a need to deliver "concrete and actionable outcomes in COP 30", especially in the context of reversing deforestation by 2030. It said "this cannot be substituted by the digital platform". It asked for the inclusion of key messages from the fifth global dialogue with a placeholder for key recommendations from the sixth global dialogue. It said it "would like to see actionable recommendations so we move from negotiation to implementation". It also underscored the need

for including a reference to "next steps" aimed at improvement and review of the MWP in the decision structure. It said it would like to see a reference to the relevance of topics discussed in this year's global dialogues for Parties' upcoming NDCs, adding that "we could have a simple invitation for Parties to consider best practices of global dialogues during the preparation of their NDCs".

The **UK** said that there should be some space for including a reference to the general context of "what the MWP should achieve through its outcomes". It supported the idea of including key messages in the decision structure and asked for the inclusion of a reference to continuation of work under the MWP.

Australia asked for including language related to the 1.5°C goal and a placeholder for

key messages from the dialogues. It said messages related to finance and means of implementation should include a reference to the diverse range of funding instruments from public to private and blended instruments. It said the decision should have a section on "next steps" in which continuation of the programme is discussed. It said there is "nothing in the mandate that precludes" Parties from having that discussion in 2025. Expressing skepticism towards the digital platform, it said that "the more we hear, the more we feel this is not suited to be operationalised within this work programme". It asked for a different setting like a separate agenda item or Presidency action agenda to take forward work related to the platform.

New Zealand, Japan, South Korea and Norway shared views similar to those of the EU and EIG.

TWN Bonn Climate News Update 11

www.twn.my Published by 2 July 2025

Third World Network

Breakthrough on just transition text in Bonn, all eyes on Brazil next

Penang, 2 July (S. Hui) – The climate talks in Bonn that ended on 26 June saw a breakthrough in the negotiations on the Just Transition Work Programme (JTWP), with the transmission of an informal note for further consideration, setting the stage for a formidable task ahead on agreeing to a decision at COP 30, to be held in November this year in Belem, Brazil. The JTWP negotiations took place under the 62nd sessions of the UNFCCC's Subsidiary Bodies (SB 62).

Afterintenseandnear-breakdownnegotiations until the evening of 25 June, Parties finally agreed to take note of the <u>informal note</u> prepared by the Co-Chairs Federica Fricano (Italy) and Joseph Teo (Singapore) "under their own responsibility", and continue consideration of these matters at SB 63, with a view to recommending a draft decision for consideration and adoption by the Conference of the Parties to the Paris Agreement at its seventh session (CMA 7) in Belem.

There were many issues of contestation among developed and developing countries. The two most contentious issues that emerged in relation to the informal note were on (i) a placeholder on climate-change-related trade-restrictive unilateral measures, and (ii) paragraph 11(g) which is related to the key messages emerging from the three dialogues held under the JTWP. Spread over four joint contact groups, both issues were finally resolved by having all views of Parties reflected as additional options in the informal note (to enable a level playing field when negotiations begin in Belem).

The negotiations in Belem will be tough, as there are also other areas of divergence remaining in the informal note, including on the provision of means of implementation (MOI) or support for just transitions and the possibility of having new institutional arrangements to implement the JTWP. The effectiveness and efficiency of the JTWP will be reviewed in 2026 and its continuation will be considered next year (as per the Dubai decision reached in 2023). The **G77 and China** has said that this year (2025) is crucial to advancing discussions on the JTWP so that the work programme continues beyond 2026. The most significant issue is whether developing countries can successfully clinch a concrete outcome, bolstered by means of implementation and international cooperation, which would meaningfully support them in their just transitions. (For background on the first week of negotiations in Bonn on the JTWP, please see Update 6.)

A major bone of contention is over the proposal by the G77 and China for new institutional arrangements to implement the JTWP. In this regard, paragraph 28 of the informal note provides three options for further implementation of the programme:

"Option 1: Improving existing modalities;

Option 2: New institutional arrangements [toolbox, guidance framework, global platform, technical assistance network, mechanism] and

Option 3: Defer decision to 2026".

Developing countries, led by the G77 and China, proposed that options 1 and 2 are not mutually exclusive and suggested combining them and that Parties can work on the specific language to elaborate further. This was however not agreed by developed countries, who placed more emphasis on having key high-level messages emerging from the dialogues as important outcomes from the JTWP this year, and did not agree to having any new institutional arrangement that would have additional financial implications, saying that discussions in this regard are premature. Developed countries proposed that Parties should wait until the review of the JTWP in 2026.

Another key area of divergence is on paragraph 11(g) of the informal note, which states, "The importance of facilitating universal access to clean, reliable, affordable and sustainable energy for all, including through the scaled-up deployment of renewable energy and access to clean cooking, and that such efforts may promote energy security and present significant socioeconomic opportunities associated with transitioning away from fossil fuels in a just, orderly and equitable manner, while acknowledging that pathways to energy transitions will vary by country in accordance with national circumstances."

The Like-Minded Developing Countries (LMDC), supported by the African Group, the Arab Group, Venezuela, Oman, China, India, Saudi Arabia and the Russian Federation. proposed adding an alternative paragraph to the above. From the interventions (see details below), it was clear that the text in paragraph 11(g) combines the notion of facilitating the meeting of basic needs such as access to clean cooking with the idea of transitioning away from fossil fuels, missing an important dimension of the "right to development" in developing countries. This was viewed as a red line for these countries. (These issues relate to notions of "climate justice" and "distributional justice", which are central to just transitions, and also involve the fair sharing of the global carbon budget for limiting temperature rise within the PA goals.)

The paragraph 11(g) issue was the only outstanding issue holding up the joint contact group on 25 June (the penultimate day of the SB session). A breakthrough came when Parties agreed to have three options, with option 1 being the existing paragraph as per the Co-Chairs' first draft; option 2 stating "The importance of facilitating universal access to clean, reliable, affordable and sustainable energy for all, including access to clean cooking, and that such efforts may promote energy security"; and option 3 being no text.

Another major point of disagreement had been over the framing of text on unilateral measures in the "placeholder" of the informal note. The **G77 and China** proposed that the framing of the placeholder should reflect the title of the agenda item proposed by the Group on the opening day of the SBs on 16 June: "Promoting international cooperation and addressing the concerns with climate-change-related trade-restrictive unilateral measures." (The proposal for this new agenda item was later withdrawn on the understanding

that it can be dealt with under relevant agenda items including in the JTWP.) On the other hand, developed countries including the **United Kingdom**, **Japan**, the **European Union** and **Canada** preferred to either retain the Co-Chairs' proposed framing, i.e., "Placeholder on crossborder impacts of climate measures, including trade impacts", or add a "no text" option. This was then resolved by reflecting all the views in three options as shown in the informal note, with option 1 being the G77 and China's proposal; option 2 the existing language in the Co-Chairs' initial draft; and option 3 the no-text option preferred by the developed countries.

Earlier, at the joint contact group sessions on 23 and 24 June, some Parties provided detailed comments on the changes they would like to see in the informal note, which included the missing comma after the phrase "common but differentiated responsibilities and respective capabilities" and before the phrase "in the light of different national circumstances" in the preambular paragraph. The missing comma was raised by many developing countries which wanted the text to be as in Article 2.2 of the PA, to ensure differentiation between developed and developing countries. This was however not rectified in the informal note, but will have to be addressed in Belem.

The informal note is bracketed in its entirety, with a note stating, "This informal note has been prepared by the Co-Chairs under their own responsibility. The content of the paragraphs is preliminary, has not been agreed, is not exhaustive and has no formal status. It is intended to assist Parties in advancing discussions on this matter and does not prejudge further work or prevent Parties from expressing their views at any time."

Clearly, the battle lines have been drawn for the next encounter of negotiators in Belem.

The following presents key highlights of the interventions from Parties.

On the key messages emerging from the three dialogues

Paragraph 11 of the informal note contains a list of 11 key messages (a) to (k) from the first and second JTWP dialogues, with (l) being the placeholder on additional key messages resulting from the third and fourth dialogues.

In general, the **African Group**, the **LMDC**, **India** and **South Africa** all called for more balance in the key messages in paragraph 11 and for more emphasis on the global dimensions.

India said that it has been raising concerns over the imbalance between national and international dimensions, in which the global dimensions are only emphasised in terms of support while the rest of the text skews towards domestic dimensions. (This upsets the delicate balance that Parties achieved in the decision from Dubai.)

South Africa said paragraph 11 takes on a very strong domestic and national focus and reminded Parties that they have been raising the lack of focus on the international drivers or dimensions of opportunities and barriers and challenges. It spoke of the need to strengthen the current modalities to be able to support the focus on how to facilitate international cooperation and address the barriers and challenges. More specifically, South Africa asked for inclusion of the phrase "right to development" in paragraph 11(g) and for more "balance" in terms of the dimension, scope and focus in paragraph 11 as a whole.

Bolivia, for the **LMDC**, also proposed detailed textual suggestions in paragraph 11 to bring in more international dimensions.

Fiji, for the Alliance of Small Island States (AOSIS), Canada and Mexico supported the inclusion of text in paragraph 11, with the UK saying many issues are of utmost importance and deserve their own paragraph. In a similar vein, the EU also called on Parties to act on all the key messages, with the exception of paragraph 11(k) on the connection between just transition pathways and ensuring the integrity of all ecosystems and the protection of biodiversity which also mentions "Mother Earth".

On paragraph 11(g), **Bolivia**, for the LMDC, said its preference is to delete it but "we realise it is [an] important [paragraph] for the others". As a compromise, it called for balancing it with option 2 (see above) and option 3 (no text). Elaborating on its concern, specifically on the second part of the paragraph which states "and present significant socioeconomic opportunities associated with transitioning away from fossil fuels", Bolivia said, "This is an issue of climate justice, the support for vulnerable groups ... we are discussing a critical topic affecting millions of people. ... We are only asking for an addition of a different perspective regarding transitioning away from fossil fuel and energy security. The African Group wants clean cooking but this paragraph brings a different message. It is very critical for Parties to introduce the options that we want to discuss in Belem."

South Africa, for the **African Group**, concurred and said paragraph11(g) does "not reflect an area of importance for the group that speaks to facilitating energy access ... and facilitating energy access through deployment of renewable energy". It saw value in elevating the "energy security" issue on its own.

According to sources, during the informal-informal consultations which were closed to observers on 24 June, the issue of paragraph 11(g) was also brought up by some Parties including the Russian Federation and India. India said that linking energy access for something as basic as clean cooking fuels with transitioning away from fossil fuels "is simply not possible for many of our countries in the near term ... even the richest countries have not been able to achieve it. So, if there is anywhere where we need 'transition fuel', it is for providing basic things such as access to clean cooking. And the paragraph combines these two without a second thought to what it would mean."

According to sources, the **Russian** Federation in the informal-informals suggested removing the text on "transitioning away from fossil fuels" and explained that the message about "present significant socioeconomic opportunities associated with transitioning away from fossil fuels" is not even reflected in the summary report of the first and second dialogues.

[It is learnt that the paragraph 11(g) text by the Co-Chairs came from the draft text from the COP 29 Presidency in Baku last year. It also drew strong reactions from the LMDC and several others then in Baku. India made a similar remark last year that the summary report of the dialogues did not capture such a message. A check on the SB Chairs' annual summary report on the JTWP dialogues (held last year) revealed that "fossil fuels" was mentioned eight times, mostly in relation to the barriers and challenges associated with transitioning away from fossil fuels, instead of the current framing as presenting significant socioeconomic opportunities.]

On further implementation of the JTWP

On the implementation of the JTWP, the **G77 and China** proposed that options 1 and 2 (as reflected above under paragraph 28 of the informal note) are not mutually exclusive and suggested combining them and working on the specific language to elaborate further.

This proposal was opposed by developed countries.

Japan asked for all options under paragraph 28 to be deleted. The EU commented that "sequencing is imperative", with a primary focus on improving existing modalities, avoiding duplication and using existing modalities, where dialogues are the primary avenue.

There was also a suggestion by some developing countries on how Parties can move forward intersessionally, between now and COP 30, with the various ideas for the new institutional arrangements. Some of the ideas include a call for submissions on the new institutional arrangements, and some kind of synthesis report to compile all the ideas and views for further deliberation in Belem. There was however no consensus in the room to include this in the conclusions of the SBs. Meanwhile, a cross-constituency civil society group has been calling for a global just transitions mechanism viz. Belem Action Mechanism (BAM).

On the means of implementation

Another key area of divergence is on the delivery of means of implementation and support for just transitions, which are key for developing countries. The UK said the language on the support for just transition and finance was "significantly unbalanced", while Australia said it should "not become a proxy for finance talks".

Japan said it did not support paragraph 24 which states, "Recognizes the importance of means of implementation, including capacity-building, climate finance and technology development and transfer, as well as international cooperation, for facilitating developing country Parties in pursuing just transition pathways that promote sustainable development and the eradication of poverty, and that high debt burdens can hinder those Parties in pursuing just transition pathways."

The EU said it needed more language on just transitions as the "enabler" to facilitate a pathway to 1.5°C and climate resilience, as otherwise, it would "create a severe imbalance". It also called for deletion of paragraphs 24 (which is about recognising the importance of MOI) and 25 (which notes that scaling up new and additional grant-based, highly concessional finance and non-debt instruments remains critical to supporting developing countries, particularly as they transition in a just and equitable manner).

Mexico, for the Environmental Integrity Group (EIG), echoed similar views.

Canada said the MOI text is "heavily skewed toward one [form of] MOI on finance", saying that last year's decision in Baku on the new collective quantified goal (NCQG) on finance "has provided guidance for the next few decades". It called for more emphasis on tying just transition to ambitious climate actions, and the need to reference paragraph 28 (on transitioning away from fossil fuels) of the decision from Dubai on the global stocktake (GST). It also wanted reference in the preamble to Article 2.1(c) of the PA on "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".

New Zealand said that integrating the outcomes of the first GST relevant to just transitions is important and that finance is not within the scope of the work programme. It also wanted deletion of paragraphs 24 and 25.

On the issue of critical minerals in just transitions, **Uganda** suggested adding a reference to the UN Secretary-General's Panel on Critical Energy Transition Minerals as one of the relevant instruments and initiatives that might provide guidance for designing and implementing just transition pathways in paragraph 18 of the informal note. **Colombia** also mentioned the need to add a paragraph recognising the role and risk of extraction of critical minerals.

On the placeholder to discuss unilateral measures

The **G77** and **China** proposed that the framing of the placeholder in the informal note should be changed to reflect the title of the agenda item proposed by the Group as stated above.

Bolivia, for the **LMDC**, had a proposal to introduce six paragraphs into the informal note as it was of the view that this issue is cross-cutting across all the elements in the JTWP, but said it could be flexible with there being a placeholder in the informal note.

The **UK** said it wanted to see a no-text option being added to the placeholder as it has not agreed to including this in the final decision.

Japan said it does not agree with the placeholder and suggested bringing the issue to the World Trade Organization (WTO).

In response to the UK and Japan, **South Africa** commented that it was clear from the adoption of

the SBs agenda that "we create a space" to have a discussion on unilateral measures.

Paraguay also made proposals for some preambular text that can refer to unilateral measures.

The EU said it preferred to retain the Co-Chairs' proposed framing, i.e., "Placeholder on cross-border impacts of climate measures, including trade impacts", but also emphasised that it has not agreed on having text in the decision nor on the framing of this issue. It reiterated the domestic and overarching nature (of just transition) and said it will continue to discuss the positive, domestic and cross-border impacts in a non-confrontational manner

Canada regarded "unilateral measures" as unclear terminology and suggested not including it in the text.

This was then resolved by reflecting all the views in three options in the informal note as stated above.

[Meanwhile, in the response measures contact group, co-chaired by Xolisa Ngwadla (Botswana) and Annela Anger-Kraavi (Estonia), the need to address concerns over climate-change-related trade-restrictive unilateral measures was also included in a Conference Room Paper (CRP) submitted by the G77 and China. Parties in that contact group adopted conclusions in Bonn and agreed to continue work in Belem on the basis of the CRP and also invited further submissions from Parties to provide additional views and inputs, as there was no consensus among Parties on the matter.]

Lastly, **Paraguay**, in the final joint contact group of the JTWP, said, "Small delegations also have the right to have a voice to be heard. Some countries like ours, we have some trouble to be heard in multilateral setting ... we have to keep repeating our positions. If we are going to talk about inclusivity, every country has to be heard" (reflecting the need for "procedural justice" in the JTWP for global just transitions).

TWN

Bonn Climate News Update 12

www.twn.my Published by 2 July 202

Third World Network

Loss and damage at Bonn SB 62: Laying the groundwork for Belem

Penang, 2 July (Inderera Ramjee) – The Bonn Climate Conference (the 62nd sessions of the UNFCCC's Subsidiary Bodies or SB 62), held from 16–26 June, served as a crucial mid-year milestone leading to COP 30 in Belem, Brazil. For loss and damage (L&D), expectations were high in terms of the outcome for the third review of the Warsaw International Mechanism for Loss and Damage (WIM).

This was an agenda item that could not be concluded in Baku, Azerbaijan, during COP 29, necessitating its continued consideration in Bonn. It was however swiftly dealt with through agreement on the first day of the L&D meeting in SB 62, in a short decision text that took note of the joint annual report of the WIM Executive Committee and the Santiago Network for Loss and Damage.

Going into the session, developing country negotiators had sought enhancements in coordination and complementarity among the various L&D institutions that have been established [the WIM Executive Committee and its expert groups; the Santiago Network and its Advisory Board and secretariat; and the Fund for responding to Loss and Damage (FRLD) and its Board and secretariat], action on the ground, the provision of finance and other support for L&D actions, and accessibility of information and outreach.

Key discussions revolved around:

- Strengthening coherence, coordination and complementarity among the WIM Executive Committee, Santiago Network and FRLD
- Enhancing accessibility of technical assistance via improved portals and multilingual materials
- Scaling up finance and other support

Enhancing knowledge products, including the development of a regular global "State of Loss and Damage" report.

Negotiators worked in Bonn to develop the key elements for a draft decision text that would then be negotiated in detail in Belem at COP 30.

The co-facilitators for the WIM review agenda item, Pasha Carruthers (Cook Islands) and Cornelia Jaeger (Austria), were requested by the Parties to provide textual suggestions for various elements and ideas to reflect as much as possible the discussions among Parties that took place during the session. The Parties also forwarded to the co-facilitators for inclusion in the draft text various ideas presented by Parties.

These textual suggestions and ideas were eventually compiled into an informal note presented by the co-facilitators on their own responsibility. This informal note did not represent any agreement among the Parties and cannot be considered as agreed text. Parties and the co-facilitators also stressed that the contents of the informal note did not prejudge Parties' positions or further views.

Parties generally concurred with the need to ensure that the three L&D bodies are coordinated and complementary in their activities and work plans; enhance the accessibility and visibility of these bodies' various knowledge products and work; and enhance the role of national contact points for L&D and support their coordinated work with Santiago Network liaisons and the FRLD.

Significant debate occurred among Parties with respect to the issues of having a global State of Loss and Damage report; having voluntary methodologies to quantify L&D impacts and needs and on the voluntary inclusion of L&D considerations into national plans; the cost-

effectiveness of the operations of the Santiago Network; and scaling up finance and other support for L&D, including providing a strong political message on the urgent need for such scaling up.

Developed countries generally raised clarificatory questions about the utility and value of having a global State of Loss and Damage report, noting that there are already many other reports that could be used, while developing countries stressed the need for such a report to be produced under the UNFCCC process to be an authoritative source of information on L&D, including on L&D support needs.

L&D quantification and inclusion into national climate plans also saw some divergence, with developing countries generally viewing these as useful outcomes for the WIM review while developed countries were generally more cautious due to their concern that these could be tied to them having new L&D financing obligations.

Developed countries generally saw the issue of scaling up L&D finance as not being within the mandate of the WIM review but within the mandate of the FRLD and the COP/CMA (Conference

of the Parties to the PA) guidance to the FRLD. Developing countries saw it as a critical part of the WIM review.

At SB 62, the WIM review advanced in both structure and substance, clearly identifying the issues that need to be dealt with and negotiated in detail by Parties in Belem.

In doing so, the SB 62 WIM review negotiations provided Parties with a substantive basis for their negotiations in Belem, with the aim of achieving a positive outcome for the entire UNFCCC L&D architecture and triggering increased finance and other support, including technical assistance and more knowledge products, as well as action on the ground in a coordinated manner to support developing countries address the loss and damage arising from the adverse effects of climate change.

According to the **Philippines** for the **G77** and **China**, "This will have the longer-term transformational effect of confirming L&D's status beside mitigation and adaptation as a core climate action pillar under the UNFCCC and its Paris Agreement."

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Bonn Climate News Update 13

www.twn.my Published by

Third World Network

3 July 2025

From Baku to Belem: Multilateralism under pressure

Penang, 3 July (S. Hui) – "If you think 2024 was very hostile and difficult for developing countries in the climate negotiations, this year appears even more hostile and difficult for developing countries. It appears as if multilateralism is in the intensive care unit in the UNFCCC and is on drips!" remarked **Meena Raman**, Head of Programmes at the Third World Network (TWN), in outlining the state of play of the climate talks at a side-event organised by TWN together with the Plurinational State of Bolivia on the opening day of the Bonn sessions on 16 June.

Meena was moderating the side-event themed "An assessment of the Baku outcomes and challenges on the road to Belem". Speakers on the panel were **Khaled Hashem** of Egypt, the G77 coordinator for the Just Transition Work Programme (JTWP); **Vicente Yu** from the Philippines, the G77 and China coordinator on the global stocktake (GST); and **Abdulaziz Abdullah Albutti** of Saudi Arabia who leads the adaptation negotiations for the Arab Group.

Meena set the scene further, elaborating that multilateralism seemed to be eroding against the backdrop of the climate emergency, further challenged by the broader geopolitical environment, the rise of unilateral and protectionist policies including the tariff war set off by the Trump administration, and the ongoing genocide in Palestine, including the rise of carbon emissions from war and military operations. She also reflected on the weak outcome from Baku on the new collective quantified goal on finance, which led to a proposal by the G77 and China for a new agenda item on implementation of Article 9.1 of the Paris Agreement (which deals with the mandatory obligations of developed countries to provide

finance to developing countries for mitigation and adaptation) for consideration by the UNFCCC's Subsidiary Body for Implementation (SBI) at the Bonn session.

She also drew attention to the long letter issued to Parties by the incoming COP 30 Brazilian Presidency, which "was rather unprecedented" and is "telling the world that we are at a time which is very difficult, but we need to ensure that multilateralism continues".

The panel of developing country negotiators shared views on their expectations and discussed how multilateralism and international cooperation should look like in real terms in the UNFCCC.

COP 30 as "Adaptation COP"

Albutti said that a key challenge within the climate negotiation process is to connect the discussions with real-world conditions. Too often, the process overlooks the urgent economic and developmental realities faced by countries, especially in the context of escalating climate impacts. "We cannot just speak about emission reductions without ensuring that we have an adaptive capacity in a 1.5°C temperature [rise] world." He asked further if countries, ecosystems and communities were prepared to adapt, live and thrive in a 1.5°C world. For many developing nations, the answer is no, he said, as these countries face existential challenges from even a single flood, volcanic eruption or climate-related disaster. Adaptation is not optional; it's a matter of survival and resilience, explained Albutti.

Despite this, he said, adaptation finance remains grossly insufficient. In 2021–2023, adaptation finance did not even exceed USD28

billion. Estimates indicate at least USD380 billion is required annually just to respond to climate impacts, not to mention the much larger sums needed to build resilience and adaptive capacity.

However, in the negotiations, developed countries would not allow anything in the decision text that reinforces their commitments to provide means of implementation (MOI), leaving developing countries without the resources they need, including for the implementation of their national adaptation plans (NAPs), said Albutti further.

He said that with the Global Goal on Adaptation (GGA) now at the centre of the agenda, countries, including the Arab Group and others, are calling for COP 30 to be the "Adaptation COP". He explained that under the GGA, the UAE Framework for Global Climate Resilience has seven thematic and four dimensional targets. The GGA thematic targets cover water, food and agriculture, health, ecosystems and biodiversity, infrastructure and human settlements, poverty eradication and livelihoods, and protection of cultural heritage. The dimensional targets are impact, vulnerability and risk assessment, planning, implementation, and monitoring, evaluation and learning. The achievement of these targets depends on the delivery of MOI.

The Arab Group representative said that the GGA delivers real ambition in addressing adaptation, aligned with the needs, responsibilities and commitments that have been made since 1992 in the UNFCCC and reaffirmed in 2015 under the PA. The time to act on that ambition is now. The focus should be on the global progress on adaptation, on the gaps and needs, and a clear way forward for adaptation over the coming years, as well as the delivery of MOI.

scientific literature, including Intergovernmental Panel on Climate Change (IPCC) reports, confirms that we are on track for an overshoot of the 1.5°C threshold. Given this reality, adaptation is no longer optional; economies, societies and ecosystems must be prepared now to withstand the impacts of climate change. Developing countries, who have contributed the least to climate change but are experiencing its worst impacts, must be supported. This will only be possible with strong political will and the financial and technical support needed to enable all developing countries to move together, stressed Albutti further.

Call for new institutional arrangement for just transitions at COP 30

Hashem said that while COP 27 (in 2022) is largely remembered for launching the Loss and Damage Fund, it also laid the foundational ground for the establishment of the Just Transition Work Programme. Being part of the COP 27 Presidency, Hashem remarked that he saw a lot of resemblance with the upcoming COP 30 Presidency with regard to the emphasis on "implementation" (of commitments).

He said further that "the JTWP is meant to enhance implementation of the PA, whether mitigation, adaptation or any other relevant implementation. The concept of 'just transition' is broad and has significantly evolved over the past year, moving from a nascent idea to a more structured and solid concept among Parties in the negotiations."

He further explained that "the three dialogues under the JTWP did help solidify the broader perspective of just transitions, which also include development perspectives. The most recent dialogue also reaffirmed that adaptation must be a central pillar of any just transitions." Hashem acknowledged the contributions and participation of civil society organisations in the JTWP and also stressed that indigenous people and local communities, who often face the brunt of climate impacts, have many community-based and indigenous-led solutions and initiatives which should be supported in just transitions.

At COP 29, however, no decision was reached on the JTWP, he noted. Looking ahead to COP 30, he said "there is growing momentum to institutionalise the knowledge and experiences from these dialogues, potentially through a permanent arrangement that ensures continuity beyond the programme's initial two-year timeframe. This is because the Dubai decision stated that the effectiveness and efficiency of the JTWP will be reviewed and its continuation will be considered in 2026. The hope is that there will be adequate institutional arrangement to enhance the operationalisation of the work programme, be it a knowledge platform or hub."

Hashem said that for developing countries, it is important to keep "just transitions" in plural because there are many just transition pathways and no one size fits all. There are also national and international dimensions or perspectives in

just transitions, and the emphasis should be on multilateralism and international cooperation being the fundamental enablers for developing countries to pursue their just transition strategies.

Further, Hashem said "there is a need for a structural paradigm shift on development, on how sustainable development can be achieved in the near future when we are expecting overshoot of the temperature goal."

Technology Implementation Programme

Yu said that as developing countries were preparing for the GST in 2022, one of the big conversations they had was the fact that even though finance is key in the MOI, so too is technology. "If you look at the way that technology transfer and development has been dealt with in the UNFCCC regime, it has become one of those topics which had gotten sidelined into just a conversation about institutions, rather than a conversation about the actual delivery of this particular MOI through developing countries," said Yu further.

According to Yu, "when it comes to technology transfer and development, the G77 and China always recalls Article 4.5 of the Convention. There are two main things in Article 4.5 – first is an obligation by developed countries to take practical steps including [in financing technology transfer]; the second is about enablement and facilitation of the access and transfer of technologies to support developing countries in implementing their commitments. Often people forget that there is a second part to that particular obligation, that technology transfer is supposed to also help developing countries develop their own technologies for purposes of sustainable development and climate change".

"Assessments regarding the implementation of Article 4.5 of the UNFCCC and Article 10 of the PA [on technology] consistently conclude that the current approach has failed to deliver meaningful results. For instance, the Expert Group on Technology Transfer, in a 2005 report reflecting on two decades of efforts, noted that technology transfer under the regime had been largely limited to completed projects, without any real, tangible technology transfer occurring on the ground."

"As developing countries going into the GST," he said, "one of the things that we thought about was we needed to move the conversation on technology transfer away from talking about

how do we improve, for example, the Climate Technology Centre and Network and how do we get more funding into these institutions, to how do we tweak the work of the technology sector and community into actually thinking about what can we do to actually improve technology transfer in real terms that would move technology from developed countries to developing countries. And this was shaped by several things which came out from studies and analysis."

Yu said further that "despite the significant advances by some developing countries such as China in their renewable energy area, 80–85% of climate-related technology patents are still owned and controlled by corporations based in the Global North. Of the total trade in climate- related technologies exported all over the world, about 75% [is] still done by countries from the Global North."

Yu explained that technology development is not happening in most developing countries, which are getting left behind. He pointed to studies produced by the United Nations Conference on Trade and Development (UNCTAD), for example, which show that developed countries are gaining the lion's share at the overall technological frontier. This forms the background to the paragraph in the GST decision that states, "Decides to establish Programme Technology Implementation (TIP), supported by the operating entities of the Financial Mechanism, to strengthen support for the implementation of technology priorities identified by developing countries..."

Yu explained further that the G77 and China "is suggesting a technology acceleration platform aimed at helping developing countries identify their technological needs and proposed projects and then help match with donors or technology providers. Beyond simply acquiring technology, the goal is to build local expertise by involving engineers and scientists from developing countries, fostering innovation and the development of homegrown technologies. This approach raises concerns among developed countries, as it could lead to increased competition in the future. Technologies tailored to developing countries' specific contexts may give them a competitive edge, highlighting the broader links between technological ownership, economic power, and all the work here at the UNFCCC."

The side-event helped participants understand the various priorities of developing countries at the Bonn session on the road to Belem.

TWN Bonn Climate News Update 14

www.twn.my Published by
Third World Network

4 July 2025

Clashes deepen over purpose of UAE dialogue ahead of COP 30

Penang/Delhi, 4 July (Meena Raman/Radhika Chatterjee) – On the closing day of the Bonn climate talks on 26 June, Parties agreed to continue consideration of modalities of the United Arab Emirates dialogue on implementing the global stocktake (GST) outcomes, referred to in paragraph 97 of decision 1/CMA.5 (UAE dialogue), on the basis of an informal note prepared by co-facilitators Ricardo Marshall (Barbados) and Patrick Spicer (Canada) under their "own responsibility". It consists of two text versions that were produced during the second week of consultations on the dialogue.

With the entire text bracketed, the informal note reflects the wide divergences amongst Parties not only over the scope of the UAE dialogue, its timeline and outputs, but fundamentally about the purpose and objective of the dialogue itself, signalling the tough fight that lies ahead over this matter at COP 30, which will take place in Belem this November.

While the scope of the UAE dialogue had always been a bone of contention since 2024 after the adoption of the GST decision in Dubai in 2023, the Bonn session revealed the deep divide over the understanding of the Paris Agreement architecture, the purpose of the GST under the PA, and the purpose of the UAE dialogue itself.

These divergences relate to the calls by developed countries and some developing country groupings such as the Alliance of Small Island States (AOSIS), the Independent Alliance of Latin America and the Caribbean (AILAC) and the Least Developed Countries (LDCs) for reports to be produced annually from the dialogue, including consideration of the "collective" assessment of Parties' progress based on their national efforts, and for adoption of decisions accordingly.

Developing country groupings and Parties like the Like-Minded Developing Countries (LMDC), the Arab Group, India, China, the Philippines, Egypt and Algeria took pains to point out that what was being asked for was a mini-GST to take place annually, and that this was contrary to the PA architecture, as the collective assessment of Parties' progress in achieving the PA's goals is to be done every five years as set out under Article 14 of the PA. Senior negotiators from these groupings repeatedly explained that the next collective assessment process is the GST itself, conducted every five years, and that the GST outcomes inform the preparations of Parties in the submission of their respective nationally determined contributions (NDCs) and national adaptation plans (NAPs), which are "nationally determined". (See details below on the various interventions by Parties.)

[Article 14.3 of the PA reads: "The outcome of the global stocktake shall inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of this Agreement, as well as in enhancing international cooperation for climate action."

[The first GST (GST1) was carried out in 2023 in Dubai, resulting in the decision which, among others, established the UAE dialogue in paragraph 97, which is placed in the "finance" section of that decision. The next GST (GST2) process will start in 2026, for the collection of inputs and for the technical dialogues and assessment process to take place over 2027–2028, culminating in a decision at the end of 2028 on the collective assessment of progress.]

When the developing countries led by the LMDC, the African Group and the Arab Group pointed out that the UAE dialogue cannot be a

mini-GST for the collective assessment of Parties' NDCs and NAPs annually, the response from developed countries was that they did not want a mini-GST. However, the **developed countries** and **AOSIS**, **AILAC** and the **LDCs** continued to insist on the production of annual reports from the dialogue for collective assessment and for consequent decisions.

When the **LMDC** and the **Arab Group** pointed out that such a call was in fact a ratchet mechanism yearly for updating Parties' NDCs (especially in relation to mitigation ambition), the developed countries responded that this was not the case. This raised the question from the former as to what then was the purpose of such calls, for which no reasonable explanation was forthcoming.

The LMDC and the Arab Group expressed opposition to the need for having a report from the dialogue and also pointed out that since the technical dialogues of the GST2 process were due to begin in 2027, the UAE dialogue should end in 2026 for logistical reasons and to avoid the duplication of efforts. This was not agreed to by developed countries, who wanted the dialogue to continue till 2028 (when GST2 will take place).

On the scope of the UAE dialogue, the LMDC, the Arab Group, India, China, the Philippines, Egypt and Algeria wanted to keep finance at the centre. Pointing out that the mandate for the dialogue is in the finance section of the GST outcome from Dubai, they stressed the importance of the provisioning of predictable and accessible finance from developed to developing countries for the implementation of the latter's NDCs and NAPs. They also highlighted the importance of tracking the delivery of finance and operationalising the implementation of Article 9.1 of the PA. (Article 9.1 relates to the mandatory provision of finance by developed countries to developing countries for the latter's mitigation and adaptation actions.) The African Group and South Africa also echoed similar positions on keeping finance as the central pillar of the UAE dialogue.

These Parties also expressed the need for discussing enablers and dis-enablers of developing countries' climate actions, and highlighted the fact that finance was flowing in the reverse direction from developing to developed countries. Stressing the importance of international cooperation, they pointed out the negative impacts that unilateral measures of developed countries are having on developing countries' ability to implement their climate actions.

Developed countries like the European Union, the Environmental Integrity Group (EIG), the United Kingdom, Australia, Norway and Japan wanted the dialogue's scope to be broader and focused on the collective implementation of all GST outcomes. Stressing the need for assessing the gaps and challenges in implementation of GST outcomes, they said it was important to produce reports of these dialogues which would contain key messages. They wanted the reports to be considered by the CMA for a decision and to inform the GST2 process.

On the issue of centring finance in the discussion, they said the focus should be on the mobilisation aspect, as opposed to the provision of finance. **Australia** and the **EIG** wanted to include a reference to paragraph 28 of the GST outcome (on transitioning away from fossil fuels) in the UAE dialogue text.

Other developing country groupings like AOSIS, AILAC and the LDCs expressed a preference for the scope of the dialogue to be aimed at the collective implementation of all GST outcomes, with a particular focus on finance outcomes. They said they wanted to see a substantive outcome from the dialogues in the form of reports which could then be considered by the CMA for a decision that would help in raising ambition further.

(The UAE dialogue's scope was the subject of wide divergence at previous sessions held in 2024 as well. At COP 29, a decision on the dialogue could not be adopted because it was rejected at the last hour by the EIG, the Umbrella Group, AILAC and AOSIS. See TWN updates here, here and here.)

With such wide divergences of views and perspectives on the purpose, scope, outputs and timeline of the UAE dialogue, reaching agreement in Belem will indeed be most challenging.

Highlights of interventions

Saudi Arabia, for the LMDC, said that the GST has to be implemented through Parties' NDCs, NAPs and other documents in line with the principles of equity and common but differentiated responsibilities (CBDR). Referring to the divergence amongst Parties on how "implementation" (of the GST outcomes) is understood, it said the UAE dialogue is under the finance section of the GST text, "is not an annual GST and shall not be a mechanism to assess collective progress of the implementation of the

PA, nor to track communication or implementation of NDCs. ... This dialogue should not duplicate mandates from the PA and UNFCCC".

Pointing out the lack of consensus on text in the informal note on "collective assessment of progress", it asked whether "assessing collective progress on an annual basis is core to the implementation of the GST or the PA". Disagreeing with the idea of preparing a synthesis report of the dialogue, it said such reports would be used as "some kind of ratcheting action for enhancing NDCs on an annual basis". This, it said, contradicts the stance of some Parties who say there is a need for enhancing ambition of NDCs but also say that this will not put pressure on Parties' NDCs.

The LMDC stressed scaling up finance from developed to developing countries as a crucial aspect for the implementation of developing countries' NDCs and NAPs. It said the dialogue can address gaps and needs of developing countries and help in identifying enablers for means of implementation (MOI) like finance, technology transfer and development, and capacity building. It said the dialogue could facilitate tracking of financial goals, opportunities and barriers in accessing finance and technological innovation.

It added that operationalisation of Article 9.1 of the PA is crucial for developing countries and that additionality and predictability of finance from developed countries would be a key part of this. It pointed out that 10 years after the PA, finance "remains an obvious gap" which is "crucial if we want to implement GST ambition". It said further that one of the major barriers faced by developing countries in implementing climate action is the "barriers to multilateralism and international cooperation. We can spend time identifying measures that take financial flows out of developing countries to developed countries". It said that the imposition of unilateral measures "will not help countries in implementing their respective obligations and GST elements". It mentioned the impact of import taxes on restricting international trade and the role such measures play in redirecting finance flows from developing to developed countries. It said there is a need to assess if unilateral measures are causing "fragmentation of the system ... [and] global inequality". It said further that a big component of the GST is to enhance cooperation and these unilateral measures "are against enhancing cooperation".

On the modalities of the dialogue, it said the dialogue should end in 2026 to ensure "coherence" and avoid duplication of GST processes since the

technical assessment component of GST2 would begin in 2027, adding that the dialogue should be "facilitative" and "should not duplicate the GST process".

India, **China** and the **Arab Group** shared similar views on the timeline of the dialogue.

The **Philippines** asked several pointed questions: "What is the purpose of the dialogue? What would be the impact of having a more normative process of having a dialogue and a follow-up every year? ... [Would it mean that] each CMA comes up every year [to say] that Parties need to scale up their GST implementation? Would that imply a constant cycle of updating NDCs every year? What does that mean for the system of the PA? Would it mean we are mistaking the review process for implementation?"

It said updating NDCs constantly is a very difficult process. If updating is required every year, "would that mean that developed countries would be willing to enhance their commitment to provide finance, technology, and capacity building every year? Then we would be willing to consider updating our NDCs every year."

It said there is a need to reflect on what implementing GST outcomes means for the PA architecture under Article 14. Citing decision 19/CMA.1, it said in Katowice (Poland), Parties "did not foresee any other process" than the GST to assess the implementation of the PA every five years. It asked whether there is setting up to be an annual GST amid the five-year GST cycle. "[If so,] are we then not amending the PA? This kind of annual review will hamper the implementation of climate action, especially without the MOI."

It added that "it does not make sense" to have a series of dialogues, and said that it should end in 2026. It said the focus of the UAE dialogue should be on provision and mobilisation of finance and other MOI.

India said there is no process under the PA for the implementation of GST outcomes. It said the GST is to inform Parties on their ambition in their NDCs. It said, "We cannot have a process which is called a dialogue [and] insist on the production of a report. ... It implies something more. Then there is a call for a decision. What would this decision be each year? That Parties are not doing enough? This is not provided for in the PA." It said further that the dialogue has to focus on sharing of experiences, particularly enablers and dis-enablers that shape the climate ambition of Parties.

It said implementing GST outcomes along with the implementation of the PA goals would

amount to having "a new set of global targets" for which "some Parties want to create a process of evaluation and monitoring". It pointed out that the language of paragraph 28 in the GST outcome calls on Parties to consider how they would contribute to the targets and does not say Parties "should" contribute to those targets. "It does not call on some Parties to call on other Parties to implement those targets."

It said if the dialogue has a decision about implementing GST outcomes, "the dialogue will encroach upon the nationally determined nature of NDCs. [It would amount to a] process of implementing new targets, a ratcheting mechanism ... to create a parallel structure which will not fly". It also highlighted the need for including Article 9.1 of the PA in the discussion, along with "disenablers like unilateral measures".

China said that in 2015 when Parties agreed to the PA, it was agreed that "Parties will communicate their NDCs. We will have [the] GST as a collective assessment of collective efforts. The next round of GST will conduct the review again. Follow-up of the GST will be [through] the NDCs. If [the] review happens every year, we will have no time to implement."

It said the "core essence" of the UAE dialogue "is to exchange views, talk to each other, share best practices, learn from each other". It asked whether the decision from the dialogue would reflect "key messages" from all Parties. Pointing out that "different countries have different capacities", it said Parties "are in a regime where NDCs are nationally determined". The scope of the UAE dialogue "should be derived from the context of the mandate [which is the] finance section of the GST outcome. Other elements are out of the scope of the UAE dialogue. Some Parties want a mini-GST. That is not how the PA works."

It said the UAE dialogue should facilitate the implementation of the PA in pursuit of the objectives of the Convention, and stressed that the dialogue should not "duplicate efforts under other workstreams" of the UNFCCC and PA. The dialogue should instead focus on having discussions on "gaps" in implementing Parties' NDCs, especially "financial needs and challenges faced by developing countries [and] how to clear barriers, accessibility [of finance]". It added that the discussions in the dialogue should focus on operationalising Article 9.1 of the PA.

It also stressed the importance of having more negotiations on the matter and warned against "dropping texts", recalling that the failure of the Copenhagen talks was not about the substance but due to the failure of the process. (This was a reference to the 2009 climate talks in Copenhagen, Denmark, which collapsed when decision texts were parachuted from the Danish Presidency for Parties to adopt on a take-it-or-leave-it basis.)

Qatar, for the Arab Group, said that paragraph 97 of the GST outcome falls under the finance section. "It is not a general follow-up [of all outcomes]. The mandate of this dialogue must be understood as a focused, finance-specific dialogue. It is not intended to redefine implementation pathways or introduce new layers of tracking. ... [T]he outcomes of the GST shall be implemented through our national action, in line with equity and CBDR and respective capabilities. Taking that into account, there is no mandate within the dialogue or any GST outcomes that would supersede the NDC implementation of the PA nor in duplicating the GST outcome."

It also said that "transitioning the NDCs and NAPs into tangible implementation requires scaling up finance from developed countries". It added that "the UAE dialogue needs to create a safe space to identify these areas ... [of] support for developing countries, across all pathways they choose to pursue climate action and implement their NDCs and NAPs". It drew attention to the cost needed for the developing countries' NDCs, estimated at between USD5.1-6.8 trillion up until 2030, while the adaptation financial needs are USD215-387 billion annually up until 2030. These cost estimates, it said, are lower than the actual needs since a large part of the needs has not been costed by developing counties. This shows a significant gap in mobilising the necessary financial resources, addressing technology barriers and ensuring equitable access to capacity-building opportunities. "Thus, the achievement of Article 9.1 does not only require additional public funding to achieve higher mobilisation in the context of the USD300 billion per year, it is needed to achieve enhanced support beyond the USD300 billion per year and in the context of the USD1.3 trillion per year aspiration."

In addition, while unilateral measures such as the carbon border adjustment mechanism (CBAM) are expected to reduce global emissions by 0.1%, they are estimated to cost developing countries around USD6 billion in lost income whereas the developed countries are set to gain USD3 billion, resulting in a USD9 billion income gap, said Qatar. "We cannot be serious about implementation if we are not addressing these serious challenges."

It said, "We need to preserve the integrity of the GST. While the UAE dialogue can contribute to follow-up actions on finance, it must not become a parallel GST or a backdoor attempt to reopen discussions on NDCs or to introduce new benchmarks, metrics or conditionalities or rewrite the bottom-up nature of the PA. This dialogue should remain focused on enhancing international cooperation and support, not on tracking or evaluating Party actions – that role is already fulfilled by the GST."

Ghana, for the African Group, said the dialogue should not be something that feeds into GST2. Rather, it is finance that should be central to the dialogue. It asked for including a reference to Article 9.1 of the PA in the text and preferred the term "provision" instead of "mobilisation" of finance from developed to developing countries. It said the dialogue should "take place in a non-prescriptive manner", and asked the secretariat to prepare an annual summary report of the dialogue as that would be helpful.

South Africa said the phrase "shall inform Parties" in Article 14 of the PA is "quite important". It said "collectively enhancing implementation of the PA" has to happen "through existing processes" under the PA. It asked if there is a way to express finance for mitigation, adaptation, technology development and transfer and capacity building for climate action, and pointed to the need for having this discussion. It said there is a need to focus on international cooperation and stressed that the "UAE dialogue is not a mini-GST".

Maldives, for AOSIS, said the UAE dialogue "must serve as a platform for followup of all outcomes of the GST with a particular focus on finance in all forms of climate action". It said the dialogue must be an "inclusive and engaging process" in which the focus can be on "identification of gaps and challenges" in the implementation of GST outcomes. It added that the scope of the dialogue should "consider collective progress for implementation of all GST outcomes with particular focus on finance and MOI to support GST outcomes implementation". As "a follow-up mechanism", it said, the cofacilitators of the dialogue should "develop an annual synthesis report for consideration at each CMA session. [This report] should capture ... gaps and challenges in achieving" GST outcomes. Further, "each round of the UAE dialogue should result in a CMA decision", the outcomes of which "should feed into the next dialogue".

for AILAC, Colombia, said "MOI needs to be a part of the dialogue. Finance and implementation of finance is most important issue when implementing GST outcomes ... collective implementation of GST outcomes continues to be a necessary input when trying to address finance for GST outcomes". It said "implementation is nationally determined through NDCs and NAPs" and "enhanced international cooperation has a very important role to play", and that both should be part of the dialogue's scope. It said the UAE dialogue should "consider collective progress on implementing all outcomes of GST and identify all opportunities in the provision of finance, capacity building, technology development and transfer" and support for NDCs and NAPs. It said there should be a "substantive summary report for the consideration of the CMA" from the dialogue. It also said that the dialogue "should lead to consequences" and should continue till 2028.

The LDCs said implementation of the GST must cover MOI support and address loss and damage. It stressed the need for addressing gaps to ensure alignment with the 1.5°C goal. It said the scope of the dialogue "must focus on implementation of all GST outcomes with a focus on MOI", adding that the finance gap is key in GST outcome implementation. It also highlighted the importance of capacity building and technology transfer in this context. It said "enhanced international cooperation and support for implementation of NDCs and NAPs" is crucial. It also said that "raising ambition on adaptation, mitigation, MOI" and addressing loss and damage are very important to the group.

The EU said it is "key to have a substantive output of the UAE dialogue" in the form of a "summary report". It said there could also be a synthesis report for the consideration of the CMA "to ensure the implementation of the GST decision". It asked for an annual ministerial dialogue on the outcomes of the GST. It added that "a synthesis report" by the co-facilitators will inform the GST2 process and progress towards long-term lowemission development strategies (LT-LEDS) of the PA. It supported the idea of having a "broad spectrum of support for implementation of the GST" which would happen at the "national level through NDCs and NAPs". It said there is also a need for "collective action" and "international cooperation". It said the GST "is about action and support". In the context of support for developing countries and all MOI, it said focus should be on

"mobilisation of finance, technology development and transfer, capacity building" and "not just the provision of finance". Finally, it said it "wants to see a substantive outcome with a view to agreeing on an annual GST dialogue. [We] would like the outcomes of the UAE dialogue to feed into the GST2 process".

Switzerland, for the EIG, said there would likely be some "overlap" of the UAE dialogue with other workstreams under the UNFCCC. It said it had a "broad understanding of finance" and that it "would also like to see a reference to Article 2.1(c) of the PA" in the text, which it said would be "pertinent if we look at implementation of GST outcomes". It stressed that it had a broader view of MOI which included not just finance but also technology and capacity building. It said it wanted to see the dialogue focus on the implementation of the GST in a "comprehensive manner". It expressed concern about not finding a reference to those issues of the GST outcome which do not have a "home" (an implicit reference to paragraph 28 of the GST outcome, which has global targets related to energy transition). It supported preparation of reports from the dialogue with key recommendations and using those reports to feed into the GST2 process.

Australia said the output of the dialogue is a key issue and was the element that prevented agreement on a decision in Baku. It said the scope of the UAE dialogue should be "comprehensive", covering "mitigation, adaptation, and all GST outcomes". It said the "dialogue should focus on implementation of the first GST". It said it "wants assessment of collective progress" of GST implementation. It added that "there are different views about what GST within a GST means ... it is hard to understand how enhancing ambition towards implementation means assessment". It also asked to include a reference to paragraph 28 of the GST outcome in the text. Regarding the discussion of finance aspects in the dialogue, it expressed a preference for the term "mobilisation" over "provision". It said that it would like to "see a report from each dialogue" which would contain "key messages".

The **UK** said it would like the UAE dialogue to focus on the collective implementation of all GST outcomes. It favoured the preparation of reports from the dialogue, which it said "could be effectively used" especially if they have "key messages".

Norway and **Japan** had similar views to the EU, the EIG and Australia.

TWN Bonn Climate News Update 15

www.twn.my Published by 8 July 2025

Third World Network

Developed countries hinder progress on adaptation

Kuala Lumpur, 8 July (Eqram Mustaqeem) – It was a particularly tough and challenging session for the adaptation agenda at the 62nd sessions of the UNFCCC Subsidiary Bodies (SB 62) that began on 16 June and ended on 26 June at around midnight in Bonn.

This was especially the case with the agenda items on national adaptation plans (NAPs) and the Global Goal on Adaptation (GGA). With regard to the NAP issue, which has not been able to result in a decision since COP 27 (in 2022), Parties again failed to make substantial progress with negotiations, ending only with procedural conclusions, due to developed countries which as usual stalled over the means of implementation (MOI).

However, largely owing to the efforts and compromise of developing countries, Parties managed to scrape to a conclusion on the GGA. It was a long-winded journey for the GGA, which saw talks going into closed rooms with heads of delegation (HODs) late into the final day of SB 62, to end the stalemate between developed and developing countries mainly over having indicators on MOI under the goal to measure achievements in its implementation (see details below).

The main reason a decision was needed on the GGA agenda item at SB 62 was that the UAE-Belem work programme (UBWP) on developing the indicators measuring progress towards the seven thematic goals and four dimensional goals would need to be concluded at COP 30 in Belem. Hence, Parties needed to reach agreement on the guidance to be provided to technical experts developing these indicators, as they seek to finalise the list of 100 indicators before handing them over to the Parties for political deliberations and finalisation at COP 30.

It is important to note that there are four items under discussion in the GGA: (i) the indicators work under the UBWP; (ii) the Baku Adaptation Roadmap (BAR) that aims to advance progress on adaptation as per Article 7.1 of the Paris Agreement and support the implementation of the elements outlined in paragraph 38 of decision 2/CMA.5; (iii) deliberations on "transformational adaptation" (TA); and (iv) as agreed during the first week of the Bonn session, draft elements of the GGA decision to be adopted at COP 30.

However, due to the more urgent nature of the UBWP work on indicators, Parties decided to focus attention on this at SB 62, whilst continuing deliberations on the other matters later at COP 30.

The chronology and evolution of the GGA at SB 62 can be viewed through draft texts <u>version 1</u>, <u>version 2</u>, <u>version 3</u> and the <u>final draft conclusions</u> along with the <u>informal note</u>. (The informal note is the exact same text as version 3 of the GGA draft text but only incorporating paragraphs 21–45.) For the NAPs, there was only <u>one version of draft text</u>. (See details below.)

Global Goal on Adaptation

The GGA discussions were co-facilitated by Tina Kobilšek (Slovenia) and Zita Wilks (Gabon). At the outset of the second week of negotiations, clear lines of contention were drawn between developing and developed countries that could not be resolved until the final hours of SB 62. The first point of contention was on the guidance that would be given to the experts in the process of refining the indicators, particularly on MOI; the second was on the status of the text that would capture discussions on the BAR, TA and the draft elements of the GGA decision for COP 30.

Ironically, developed countries, despite being the first to propose and agree upon discussions on the draft elements of the GGA decision text, did a total U-turn in the second week, and were in favour of having the text removed entirely, by choosing the option with "no text". The reasoning given for such removal was the lack of time, as engaging on the guidance on indicators should be the priority (which they did not do much on, as they claimed they were against giving more detailed guidance to the experts lest it constitute micromanaging). It was clear that their determination was to have the draft elements removed due to text referring to "a new adaptation finance goal" in paragraph 45(g) option 2 of the informal note, which read as follows:

Draft elements of decision text:

"45.

Option 1: no text

Option 2: The SBSTA and the SBI initiated discussions on the following possible elements for a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its seventh session (November 2025):...

(g) Other provisions:

Option 1: No text

Option 2:

Provisions related to the adjustment of monitoring, evaluation and learning (MEL) systems, and identification of capacity-building needs;

References to the role of national adaptation plans (NAPs); engagement of relevant stakeholders; outcomes of the Baku high-level dialogue; proposal for a new adaptation finance goal to succeed the Glasgow pledge; and a review mechanism with a timeline for future work." (Highlights in bold added for emphasis)

(In Glasgow in 2021, developed countries were urged "to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025...".)

Developed countries revealed their refusal to discuss anything related to finance throughout all the adaptation agenda items, and opening discussions on having a new adaptation finance goal to succeed the Glasgow pledge was definitely a red line for them. The explicit reason given by developed countries such as New Zealand behind the rejection of option 2 in paragraph 45(g) was "to not renegotiate the new collective quantified goal

on climate finance (NCQG) [that was reached in Baku last year]".

However, by opting for the "no text" option in the draft elements of the decision text, Parties would have to start afresh on the same matter at COP 30, which will be a mountain to climb, as they would need to finalise the list of indicators and continue deliberations on other aspects on transformational adaptation and the BAR at the same time.

After countless hours in consultations, the developed countries were of the opinion that everything not related to the indicators, i.e., the BAR, transformational adaptation and draft elements of the GGA decision text, should only be considered in an informal note.

Saudi Arabia, on behalf of the Arab Group, inquired on the reasoning behind such a request, to which developed countries, the European Union and Australia in particular, opined that Parties have not had the time to go through the substance of paragraphs 21–45 (the paragraphs on the BAR, transformational adaptation and the draft elements).

In contrast, **Sri Lanka**, on behalf of the **G77** and **China**, made clear that developing countries wanted it to be treated as a draft text, and **Kenya** emphasised further that it has to be a draft text as all Parties had spent a lot of time working on it.

(An informal note is a type of document that aims to support the negotiation process. Oftentimes, the co-facilitators of negotiations on a given agenda item will prepare an informal note under their own authority to capture progress in the negotiations. The note has no formal status and does not represent agreed text, consensus or official positions. Informal notes are not binding and are not intended to prejudge the outcome of negotiations.

(A draft text is a more formal document that presents the actual language under negotiation. It is intended to serve as the basis for reaching agreement and, eventually, for adoption as a decision. While still subject to negotiation and revision, a draft text carries greater weight than an informal note. It is the main document Parties work on to finalise a decision.)

Hence, by making the text an informal note, developed countries can just request at COP 30 later for it to be dropped as there is no requirement for Parties to use that document as a basis of negotiations, which will make the discussions in SB 62 futile. By having it as a draft text, however,

Parties will have to engage with it as the document serves as a basis of negotiations; that is why developing countries insist on having it so.

At the end, the compromise that was reached was to compile the paragraphs as an informal note instead of a draft text, with the full wording in the informal note reading as follows: "This informal note has been prepared by the co-facilitators under their own responsibility and has no formal status. It is an attempt by the co-facilitators to capture the discussions under these agenda items at the 62nd sessions of the subsidiary bodies. This informal note does not prejudge the draft decision, which will be prepared at SB 63 and forwarded for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the PA at its seventh session, neither does it prejudge further work or prevent Parties from expressing their views at any time. It does not represent agreement among Parties."

The unwillingness of developed countries was particularly clear in relation to guidance to the experts on the MOI indicators. Developed countries were firmly opposed to any references that would differentiate responsibilities between developed and developing countries. They effectively rejected any MOI language that underscored their obligation to provide support to developing country Parties.

The point of contention on the MOI language was paragraph 15(h) of draft text version 3, where developing countries wanted option 1 whilst their counterparts insisted on option 2. The text was as follows:

"15. The SBSTA and the SBI requested their Chairs to invite the experts, in reducing and refining the indicators, to take into account the following additional guidance, as appropriate:...

(h)

Option 1:

(i) Indicators relating to official development assistance and national budgets are to be removed;

(ii) Indicators for means of implementation are to be included that are aligned with Articles 9, 10, 11 and 13 of the PA, recognizing the needs of developing countries, measuring access to and quality of finance, and showing progress in ensuring the adequacy of support for adaptation, the direction of the support and how the support is closing the adaptation gap;

[Article 9 of the PA refers to "finance", Article 10 "technology", Article 11 "capacity building" and Article 13 the "enhanced transparency framework".]

Option 2:

(i) Indicators for enabling factors for the implementation of adaptation action, including means of implementation are to be included;

(i)Alt 1 Indicators for enabling factors of the implementation of adaptation action, including means of implementation, policy, guidance, incentives, regulations, enabling conditions as well as all indicators that consider all sources of finance;

(i)Alt 2 Indicators for enabling factors for the implementation of adaptation action, including means of implementation, political commitment and follow-through, institutional frameworks, policies and instruments with clear goals and priorities, enhanced knowledge of impacts and solutions, mobilization of and access to adequate financial resources, monitoring and evaluation, and inclusive governance."

As SB 62 was coming to a close, the cofacilitators suggested that Parties group up and find a compromise on the MOI language. After discussions, **Sri Lanka**, for the **G77 and China**, put forward a compromise proposal: "...suggests experts to consider language on enabling factors of means of implementation" as the third point under option 1.

Australia in direct reply stated that such a proposal would "not even be close to acceptable", and instead called for consultations to be closed as soon as possible so that the matter could be taken to the SB Chairs for further guidance. Similar blatant rejections of a compromise were shared by other developed countries including the EU, Japan and New Zealand, as they could not accept any language that emphasises their responsibilities to provide such MOI as developed countries.

Saudi Arabia, on behalf of the Arab Group, called on the developed countries to engage and find ways to come to a compromise instead of just rejecting proposals coming from developing countries. China, on behalf of the Like-Minded Developing Countries (LMDC), expressed similar frustration and disappointment over the developed countries' refusal to meet in the middle, and questioned their blatant refusal to accept the MOI language in option 1, which quoted directly from the PA which all Parties have adopted and hence should be bound by.

The Arab Group once again came in to express serious concerns with the process, while the G77 and China and Group SUR (Argentina, Brazil, Paraguay and Uruguay) came with

two different bridging proposals, with all the other developing country groups also trying to compromise, whilst the developed countries stuck to their starting position.

Panama, on behalf of the Independent Alliance of Latin American and the Caribbean (AILAC), requested it to be on record that if the matter went to the SB Chairs, AILAC rejected any decision that did not include MOI as part of the guidance. It said that developing countries had been trying to bring proposals but there had not been the same willingness by some Parties in the room.

The co-facilitators then suggested that Parties allow them 15 minutes to develop a bridging proposal that might work for both sides. While developing countries indicated their support for this suggestion, the EU opposed it and instead called for consultations to be concluded and the matter to be referred to the SB Chairs, effectively reiterating its previous position, once again without compromise.

Panama, on behalf of AILAC, urged developed countries to give the co-facilitators the opportunity to prepare a bridging proposal. However, this call was countered by Japan, Norway, Canada and the United Kingdom, who reiterated their preference to end the consultations and refer the matter to the SB Chairs.

As a result of the continued opposition from developed countries to pursuing a bridging proposal, the co-facilitators were left with no choice but to adjourn the meeting and seek further guidance from the SB Chairs.

Soon after the end of the GGA informal consultations, the SB Chairs called for an HOD meeting on the GGA (which was closed to observers), and a final agreed conclusion text was arrived at. According to sources, developed countries again did not want references to official development assistance (ODA) to be dropped, as in option 1, while developing countries wanted the removal. Developed countries then proposed bridging language as follows:

"Indicators for means of implementation and other factors that enable the implementation of adaptation action are to be included and those that are not relevant to the PA are to be removed.

Indicators for means of implementation to consider (i) access; (ii) quality; and (iii) provision of adaptation finance under the PA to help parties address needs and gaps in implementing the global goal on adaptation." (Highlights in bold added for emphasis)

For comparison, the conclusion text on MOI language under paragraph 15 was as follows:

"The SBSTA and the SBI requested their Chairs to invite the experts, in reducing and refining the indicators, to take into account the following additional guidance, as appropriate:...

- (h) Indicators for means of implementation and other factors that enable the implementation of adaptation action are to be included, and those that are not relevant to the PA are to be removed;
- (i) Indicators for means of implementation to measure (1) access, (2) quality and (3) adaptation finance, including provision, in line with the PA, to help Parties address needs and gaps in implementing the global goal on adaptation." (Highlights in bold added for emphasis)

It was learnt that in relation to indicators for MOI, developed countries had pushed for text such as "consider" or "capture", whilst developing countries pushed for "measure", which was reflected in the final conclusion text.

It is also to be noted that in the bridging proposals agreed to finally, the second paragraph of option 1 re paragraph 15(h) of the draft text version 3 – "indicators for means of implementation are to be included that are aligned with Articles 9, 10, 11 and 13 of the PA" – had been dropped, reflecting a huge compromise by developing countries.

At the closing plenary of the SBs on 26 June, after the adoption of the GGA conclusions, Bolivia, for the LMDC, delivered a strong message calling the attention of civil society, media and Parties at large. "This negotiation has demonstrated the bad faith of developed countries when, during the discussions of the adoption of the agendas, they insisted that they are willing to facilitate the provision of finance through the implementation of Article 9.1 of the PA under all agenda items; however during the adaptation discussions, their lies and hypocrisy were completely revealed; they blocked this decision and tried to postpone meaningful progress in the GGA room. Outside this plenary and in the negotiation process, developed countries appear to be the champions of climate change ... but the reality is, developed countries do not have the political will to provide finance to developing countries, but ... we need to highlight the unity of the G77 and China that has enabled the possibility of a strong position but yet still had a lot of flexibility and compromise that enabled for meaningful progress for GGA all the way to COP 30."

National adaptation plans

The modus operandi of developed countries blocking progress on adaptation agenda items has never been clearer than in the NAP room. Cofacilitated by Antwi-Boasiako Amoah (Ghana) and Oliver Gales (Australia), the two informal consultations on NAPs in the second week did not see any substantial progress, with the talks ending only in procedural conclusions.

After Parties had finally agreed to work on the Conference Room Paper (CRP) submitted by the **G77 and China** on a paragraph-by-paragraph basis (an approach that had been effectively implemented in the previous consultations), developed countries once again expressed disagreement with this method during the informal consultations on 24 June.

Led by the **UK** and supported by the **EU** and **Australia**, they instead proposed shifting the mode of work to providing general reflections on the financial and technical support section, starting from paragraph 12 of the CRP. Australia justified this change by suggesting that it would serve as a good starting point, arguing that moving directly into drafting would further bloat what they already considered to be an overly lengthy text.

Despite insistence by the **Dominican Republic**, for the **G77 and China** and all its subgroups, on wanting to work paragraph by paragraph on the CRP, after a huddle to discuss between all the subgroups, in the spirit of compromise, the group decided to go along with the mode of work suggested by the developed countries to give general reflections on the financial and technical support section and go straight into paragraph-by-paragraph mode right after.

Australia, beginning the round of general reflections, explained why certain references to MOI in the text were of significant concern. It stated that, in some instances, a form of conditionality appeared to emerge which implied that all progress on NAP implementation by developing countries is entirely dependent on the transfer of MOI by developed countries. Australia expressed concerns that this framing could hinder overall progress, as it suggests that little to no advancement can be made unless MOI are provided.

Saudi Arabia, on behalf of the **Arab Group**, in reply to Australia, iterated that this was the third year we are in the repeated cycle of going around in the NAP room. Developing countries have been very clear in their request; they have formulated

their NAPs but they are not able to implement them, and they contributed the least to climate change and yet are not provided the support needed through MOI. It said that "finance, technology transfer and capacity building are lacking, yet we hear statements as if we are not part of the same Convention and its PA". Article 4.7 of the Convention states that "The extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology and will take fully into account that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties".

Further, Article 9.1 of the PA was then iterated which provides that "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". Saudi Arabia emphasised that all of the issues under discussion have to be taken in light of these contexts and Parties cannot be ignorant of it. It essentially vented the frustrations felt by developing countries on the lack of progress in the NAP room for the past few years.

Progress, however, was not achieved during this session either. In fact, developed countries' oscillation between positions effectively stalled the process, as developing countries were forced to huddle and re-strategise, taking valuable time away from substantive engagement on the NAP discussions. This pattern of flip-flopping by developed countries and the resulting need for developing countries to regroup, has plagued the NAP room for several years, consuming countless hours that could have been dedicated to meaningful discussion and progress.

The NAP discussions ended on 25 June, with the CRP provided by the G77 and China, after agreement by Parties, converted into a draft text. This draft text will be the basis for work in Belem later this year.

Sri Lanka, for the **G77 and China**, emphasised that developing countries came to SB 62 with a genuine desire to make progress on the NAP agenda, compromised their positions and put forward constructive proposals. It expressed disappointment at the limited progress made in Bonn, despite the G77 and China's efforts to

advance discussions particularly by providing the CRP. The group reiterated the critical importance of MOI and support for the effective implementation of NAPs.

The final procedural conclusions agreed to at the Bonn session read: "The Subsidiary Body for Implementation (SBI) agreed to continue consideration of this matter at its sixty-third session (November 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 Parties at its thirtieth session (November 2025)."

TWN

Bonn Climate News Update 16

www.twn.my Published by
Third World Network

9 July 2025

Deadlock over Technology Implementation Programme: Deferred to Brazil

Delhi, 9 July (Radhika Chatterjee) – Discussions over the modalities of the Technology Implementation Programme (TIP) reached a deadlock during the climate talks that ended on 26 June in Bonn.

After seven informal consultations on the matter, presided over by co-facilitators Elfriede More (Austria) and Omar Alcock (Jamaica), and three iterations of texts, the discussions came to a standstill when Parties expressed diverging views on which text to forward for consideration at the next meeting of the UNFCCC's Subsidiary Bodies in Belem. Consequently, Rule 16 of the UNFCCC's draft Rules of Procedure was applied and the TIP agenda item was transmitted for consideration again in Belem ahead of COP 30 in November 2025.

(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...".)

With no procedural conclusions reached or any informal note from Bonn, the TIP negotiations will have to start afresh in Belem.

The mandate to establish the TIP stems from paragraph 110 of decision 1/CMA.5 from Dubai under the global stocktake (GST) that provides as follows: "Decides to establish a technology implementation programme, supported by, interalia, the operating entities of the Financial Mechanism, 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..."

At COP 29 held in Baku in 2024, Parties decided to launch a process for establishing the

TIP through <u>decision 18/CMA.6</u>. The work related to finalising the modalities of the TIP was to have been done at the Bonn session.

Developing countries and their groupings like the Like-Minded Developing Countries (LMDC), the Arab Group and China showed a preference for forwarding the Baku text (from last year) on this topic, while developed countries like the European Union, United Kingdom, Japan and Norway wanted to forward the text that was produced at the Bonn session to Belem. The African Group and Least Developed Countries (LDCs) proposed taking forward both the Baku and Bonn texts to Belem, while the Independent Alliance of Latin America and the Caribbean (AILAC) expressed a preference for the Baku text but also said that it remained flexible on this issue.

Expressing its disappointment with the text released on 24 June, the G77 and China said when "a group of Parties says they want 'A' to be reflected, and another group say they don't want 'A' to be reflected, 'A' is put in brackets to reflect the divergence". It expressed that the co-facilitators were favouring the developed countries in relation to the text they produced and that developing countries "are not being listened to". The G77 and China was referring to the exclusion of all the topics it had proposed for the global dialogues under the TIP. Issues like addressing trade barriers, including the intellectual property rights (IPR) regime, and financial barriers in accessing technology by developing countries were missing from the text.

Key areas of divergence at the Bonn session were:

the bodies that should be in charge of the TIP's implementation, i.e., whether it should be through the Subsidiary Bodies (SBs) or through the Technology Mechanism (TM)

like the Climate Technology Centre and Network (CTCN) and Technology Executive Committee (TEC):

- what the TIP's implementation should focus on: delivering on technology priorities of developing countries as identified by them in their technology needs and assessments (TNAs) and technology action plans (TAPs) and addressing challenges faced by the TM, or implementing the outcomes of the first GST;
- the topics that should be discussed at the global dialogues under the TIP, especially whether or not trade barriers and the IPR regime should be addressed;
- whether sustainable finance taxonomies should be incorporated in the TIP's implementation and the role of Article 2.1(c) of the Paris Agreement in relation to the TIP; and if non-Annex I countries (developing countries) should be asked to contribute financial resources for the TIP's implementation.

Developing countries led by the G77 and China wanted the TIP to be implemented through the SBs, and called for focus on delivering the technology needs identified by developing countries in their TNAs and TAPs to address their adaptation and mitigation needs. They wanted this done through the provision of financial support for implementing TNAs and TAPs through the operating entities (OEs) of the UNFCCC's Financial Mechanism (FM). They also wanted the challenges faced by the TM to be addressed instead of burdening them with further guidance. In terms of dialogue topics, they were keen on discussing trade barriers and IPRs among others, and wanted to see a report come out of these dialogues which would be considered by the Parties to the Paris Agreement (CMA) for a decision.

China said the TIP should not be viewed as a three-to-five-year programme but should be considered as a long-term process under the UNFCCC. It said if Article 2.1(c) of PA was to be included in the TIP's work, it should be linked to Article 9.1 of the PA. [Article 2.1(c) refers to "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". Article 9.1 refers to developed countries providing finance to developing countries for mitigation and adaptation.]

Developed countries including the EU and the UK wanted to see a greater role for the CTCN

and the TEC in the TIP's implementation. They along with **Japan** and **Norway** wanted the TIP to focus on implementation of the GST outcomes, particularly paragraphs 28, 29 and 30 (relating to global mitigation efforts and related technologies). They focused on imposing targets related to renewable energy in a top-down approach. They did not want to discuss trade barriers and the IPR regime for accessing climate technologies because they said that these issues were already being discussed at the World Trade Organization (WTO) and can therefore not be discussed under the UNFCCC.

The EU wanted to incorporate sustainable finance taxonomies in the TIP's work and said Article 2.1(c) had an important role to play in this context. It also proposed that non–Annex I countries should be asked to contribute to the implementation of the TIP.

Highlights of interventions

Chile, for the G77 and China, expressed a preference for having global dialogues under the TIP on topics that are relevant to its objective. They asked for a report from these dialogues which would then be considered by the CMA for a decision to be adopted by Parties. Calling the TIP an "implementation product", it said the programme has two main objectives: supporting developing countries in the implementation of their technology priorities identified by them and addressing the challenges of the Technology Mechanism (as identified in the first periodic assessment of the TM). It said that "what the TEC and CTCN need from the TIP is more help and resources, not additional work". It voiced a preference for acceleration of implementation and increasing the capacity of developing countries towards this. It said organising the dialogues under the SBs would give a "higher standing" to them for making "informed decisions on those topics" at the political level.

The G77 and China also emphasised the need for discussions on "addressing trade barriers to and enablers for technology development and transfer, including IPRs and policies", in the global dialogues. It said the question is about the effect that certain measures have on developing countries' access to technology. This dialogue topic would discuss "trade barriers that affect technology transfer and not things that are being discussed in other rooms [in an apparent reference to mitigation efforts]", adding that technology transfer is "well

within the mandate of the Convention". It said developed countries "have well-developed IPR regimes and are able to protect their technology and benefit from it. Developing countries don't have that and suffer from the lack of capacity". It highlighted that the need for aligning IPR regimes with climate change has also been pointed out in Intergovernmental Panel on Climate Change (IPCC) reports and said "we are trying to use the best available science" on this issue.

It strongly rejected the EU's proposal of asking non–Annex I countries to finance technology transfer to developing countries. On the issue of including references to paragraphs from the GST outcome, it pointed out there are many paragraphs that are relevant to the work of the TIP and stressed the need for enhancing means of implementation including finance, capacity building and technology for all developing countries, including LDCs and small island developing states (SIDS), in a way that aligns with national circumstances.

China said the TIP should consist of two main pillars. "First, the implementation part shall further streamline the work of the TM with other mechanisms, arrangements and initiatives under and beyond the UNFCCC, including through the enhanced engagement with financial institutions, such as the OEs of the FM and multilateral development banks (MDBs), to assure strengthened support at different stages of the technology cycle. Second, the barrier-solution part shall become operationalised through a series of global technical dialogues, focusing on general issues including how to promote the effectiveness and efficiency of the TM and its synergy with other arrangements, how to secure access to financial support, and the impacts and possible solutions to unilateral measures on technology, as well as regional dialogues, which focus more on specific issues at the regional or national level, including priority technologies, barriers and enablers identified by developing countries in their biennial transparency reports (BTRs) and communications. We would like to ask the secretariat to prepare summary reports for each global dialogue, and ask the TEC and the CTCN to report progress at the regional level in their joint annual report."

To make "outcomes of the TIP more concrete and measurable", it advocated the setting up of "quantifiable goals as we elaborate the TIP, and indicators to monitor and evaluate its performance", proposing the following language: "Decides to elaborate a strategic and ambitious

goal for the programme to make the outcomes more concrete, including the establishment of a global technology pool covering economy-wide sectors and all greenhouse gases, and technologies needed to meet the global adaptation goal by 2030; and facilitating the establishment of a friendly, open enabling environment for climate technology transfer and cooperation by 2035."

It also said the "TIP should be reviewed and updated along with the GST cycle, and take the subsequent periodic assessment of the TM and other outcomes into consideration".

It pointed out that the TIP "is not a work programme" but an "implementation programme. Its duration doesn't have to be restricted to 3–5 years. We are not creating a new institution outside UNFCCC." It stressed that the TIP should not be based on the outputs of the GST, particularly paragraphs 28, 29 and 186 of the GST decision. It said further that the TIP "should be guided by the technology framework [as provided in the PA] to strengthen the TM, not to implement specific GST outcomes, but to facilitate the achievement of ambition of technology development and transfer", and referred to Article 10.1 of the PA.

Strongly rejecting the EU's proposal of encouraging developing countries in a position to do so to make contributions to the work of the TIP, it said this issue was outside the mandate of the technology room and should be discussed by finance negotiators. "If we have to talk about this issue ... we should follow the language used in the UNFCCC and PA. We have 'developed' and 'developing' countries, or we can define Annex I and non–Annex I country Parties ... when we add text we should be more precise and serious."

It also disagreed with including a reference to sustainable finance taxonomies because it felt such taxonomies exist only in some countries and therefore it is not convenient to have them. Regarding the inclusion of Article 2.1(c) of the PA in the text, it said that should be accompanied by a reference to Article 9.1 of the PA.

Saudi Arabia, for the Arab Group, said, "Responses to climate change must be coordinated with social and economic development in an integrated way, and adhere to the principles of common but differentiated responsibilities and respective capabilities (CBDR-RC), ensuring that no adverse impacts arise from such actions on ongoing development." It said the TIP "should not be based on outputs from the GST decision. ... The only exception is paragraph 110 [which establishes

the TIP]." It said the "push for targets of tripling renewable energy is not a luxury" that developing countries have, "due to inadequate provision of means of implementation", and that developed countries must take the lead, given that developing countries have to address their food security and development priorities.

It said further that the TIP "must fully align with and build upon the nationally defined priorities of developing countries, which are expressed in the nationally determined contributions (NDCs), national adaptation plans (NAPs) and TNAs". It asked for anchoring the following technologies in the TIP: "carbon capture, utilisation, and storage, clean hydrogen, early warning and flood management systems".

It also said that the TIP "must not promote or impose specific technologies in a top-down manner, particularly when such technologies may not align with the priorities or needs of developing countries. This ensures that the process remains non-biased and equitable for Parties involved." It said further that the TIP should "actively identify and address existing barriers to technology transfer. These barriers may include unilateral measures that restrict access to essential technology and the financial resources needed. Additionally, trade, regulatory, and IP [intellectual property]-related challenges often hinder the flow of necessary technologies, or the development of indigenous ones."

It also said that it is incorrect to think of sustainable finance taxonomies as a "tool to attract financial resources to the technology mechanism or for transfer of technology" because different regions have different taxonomies, which "don't speak to each other yet". It said any kind of "dictation of priorities is not in line with differing national priorities and contradicts the spirit of multilateralism". It rejected the EU's proposal to redefine country categories by incorporating the category of "countries in a position to do so" in the context of contributing finance for the TIP.

The African Group called the TIP a "necessary progress on the Poznan Strategic Programme (PSP) [on technology transfer] which enabled us to develop TNAs. ... The TIP should foster practical support for technology priorities identified in our TNAs." It said the TIP should address technology priorities identified by developing countries and challenges that the TM faces as identified in the first periodic review. It said the TIP was important for implementation of NDCs and NAPs.

Uganda, for the LDCs, said it hoped the TIP could address challenges faced by developing countries in implementing their TNAs to address their mitigation and adaptation needs. It said the "CTCN has been supporting developing country requests to undertake assistance ... but the outcomes need to be implemented", which the CTCN cannot do. It said developing countries face several challenges including financial barriers. It said the TIP "should address the inadequacy of functions of the TM, inadequacies of resource mobilisation and those of outcomes of TNAs and technical assessments". It said the technology that is addressed by the TIP "should be demand-driven" and "should address the priorities of developing countries". It asked for more clarification on what enhanced engagement of the private sector and academia would mean for the TIP. It also asked how the TIP would be integrated in the TM's activities and how it would be separated from ongoing technology activities. It also asked for clarification regarding the issue of implementing GST outcomes through the TIP. It asked for deleting references to specific technologies like clean hydrogen because many technologies are left out if Parties decide to mention a few.

A similar point on the need to exclude reference to any specific technologies in the text was made by **Grenada**.

Seychelles, for the Alliance of Small Island States (AOSIS), said it expected the TIP discussion "to focus on development and transfer of technology prioritised by SIDS and accelerate their deployment". It said there is no place to discuss the mandate of the GST in the TIP.

AILAC said robust technology development and transfer is a cornerstone of the PA. It said it is important to "address systemic barriers to help technology development and transfer and implement TAPs". It said key topics it would want to include in the TIP are "national and endogenous capacities through national systems of innovation, financing, technology like artificial intelligence". It laid emphasis on acceleration of implementation of technology needs as well.

Brazil said two elements were at the heart of the TIP. The first was the "implementation accelerator to expedite the implementation of technology priorities identified by developing countries". The second was to make sure support is provided to developing countries in terms of their national systems of innovation and that "they are equipped with robust systems of implementation and develop technology that meets their needs".

The EU said two paragraphs of the GST outcome that are "particularly important for climate technology" are paragraphs 28 (on global mitigation efforts) and 110. It said paragraph 28 provides "a clear indication of which technology could be important for" reducing greenhouse gas (GHG) emissions and that the TIP should contribute to its implementation in line with 1.5°C pathways. It said tripling renewable energy and doubling energy efficiency should be mentioned as examples of reducing GHG emissions. It said paragraph 110 provides that the TIP would be supported inter alia by the operating entities of the Financial Mechanism.

It said the CTCN and TEC should play a "major role" in the TIP and requesting the SBs to convene the global dialogues would not be an efficient work modality. It said the CTCN should "strengthen adoption of capacities to develop enabling environment, foster national climate technology, indigenous technology, develop endogenous technologies" and mobilise finance from a "wide variety of sources" including private, public, development finance institutions and philanthropies. It also mentioned North-South, South-South and triangular technology cooperation and programmatic approaches that are multisectoral and thematic in this context.

It asked for a clear end date for the dialogues and the TIP's work. It said a focus on enabling environment would help in having an impact before 2030. The purpose of this would be to bring a "shift" in public policies and "progress in market access", it said, mentioning sustainable finance taxonomies, the private sector, MDBs and philanthropy in this context.

Responding to China's proposal on including quantifiable goals in the TIP's work, it said "we could use the goals of the PA as goals of the TIP, in particular net zero goals, global goal on adaptation in a quantifiable form". Elaborating further, it said the impact of outcomes of the TIP could be measured through a "monitoring and evaluation system". It pointed out existing monitoring systems under the TM and FM like the Global Environment Facility and the Green Climate Fund as "good starting points" and said there was "no point of creating new bodies". On China's proposal to establish a global technology pool, it said the TEC and CTCN already have joint work on databases and that "it is redundant to propose more work on technology pools". On the issue of discussing impacts of trade measures, it said that was "already

under consideration of the WTO" and therefore it cannot be considered under the UNFCCC.

It said the TIP "should have a workstream on sustainable finance taxonomies to channel technology implementation", and added that this workstream should "contribute to implementation of Article 2.1(c) of the PA". It also proposed "calling on non–Annex I Parties in a position to do so to provide financial resources for the implementation of the TIP". It later proposed a change to this language and asked for encouraging "organisations in a position to do so to make contributions to the work of the TIP".

Canada and **Japan** had positions similar to that of the EU.

The **UK** said the TIP is "an emanation" of the GST and its decision should implement the GST outcomes, the "most pertinent of which are contained in paragraphs 28, 29 and to some extent in paragraph 30". Regarding the objective of the TIP, it said "it is not necessarily related to paragraph 110 of the GST decision. We are Parties to the PA and we can choose to broaden" the objective. It insisted on the importance of implementation of GST outcomes.

It also said that the TIP "should carefully study and prioritise the needs of Parties" and address the question of how to deliver through the TM and the FM, and that the TIP is "under the PA, not the Convention".

On the EU proposal to include a monitoring and evaluation system for the TIP, it said it was "premature" to discuss that. It also said that the TIP is "not the right place to address trade barriers or IPRs ... those are more relevant and appropriate for discussions under the WTO. They are already discussing these [there]. The UNFCCC is not the right place to discuss issues related to trade, even trade in technology." It also wanted to retain the text option which encouraged "developing country Parties in a position to do so to make contributions to the work of the TIP, including through South-South cooperation, on a voluntary basis."

Norway said the decision for the TIP was made in the GST outcome and that everything that is done on the TIP should flow from that. It said the TIP "must fit within the PA architecture; this includes the technology framework". It said relevant GST paragraphs must be reflected in the TIP and that it should deliver on paragraphs 28 and 29 of the GST decision. It said programmes have a specific meaning under the PA. Drawing a comparison with the Mitigation Work Programme

and the Just Transition Work Programme, it said, "The implementation work we do in the TIP should be in the same frame that we have done for those two programmes. [It should have] five years' duration with a possibility of review." It also wanted the TIP to follow the GST cycle. On the question of discussing trade barriers to accessing technology in the global dialogues, it said "trade matters are [being] discussed in the response measures room. We don't want to duplicate topics."

South Korea said, "If paragraph 28 of the GST outcome is to be included, then it should be paragraph 28(e) which specifically deals with mitigation technologies." It also asked for including paragraph 55 of the GST outcome "for a balanced approach" as that paragraph addresses adaptation. It asked why paragraphs 28(a) and (d) should be included in the TIP, saying "these are energy-related climate actions. We think these can be deleted." It also called sustainable finance taxonomies "a good approach" for climate technology financing but said that implementation of such taxonomies would be "very difficult" in

different contexts. It said instead of singling out developing countries by encouraging them to contribute (financial resources) to the TIP's work, separate directives should be given to developed countries, developing countries and others who are able to do so. Finally, like other developed countries, it did not want trade barriers and IPRs to be discussed in the TIP.

[Paragraphs 28(a), (d) and (e) of the GST outcome read: "(a) Tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030; ... (d) Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science; (e) Accelerating zero-and low-emission technologies, including, inter alia, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production".]

TWN Bonn Climate News Update 17

www.twn.my Published by 28 July 2025

Third World Network

Developed nations block progress on Adaptation Fund shift to serve Paris Agreement

Penang, 28 July (Chhegu Palmuu) – At the 62nd sessions of the UNFCCC's Subsidiary Bodies (SBs), which took place in Bonn from 16–26 June, developed countries blocked progress on "arrangements for the Adaptation Fund (AF) to exclusively serve the Paris Agreement (PA)".

Developed countries sought to stall progress by linking this issue to resolution of the issue of the "membership of the AF Board", which was another matter under consideration.

The stance of developed countries led to the transmission of an "<u>informal note</u>" to the next session of the SBs in Belem, prepared by the cofacilitators Isatou F. Camara (Gambia) and Claire Holzer Fleming (United Kingdom) under their own responsibility and with no formal status. Developing countries represented by **Iraq**, for the **G77 and China**, requested to take forward the same substance of work as a "<u>Conference Room Paper</u>" (CRP) to capture in-session work achieved.

Both formats – the informal note and the CRP – were captured in two separate footnotes in the agreed conclusions. The conclusions were read out by the Chair of the Subsidiary Body for Implementation (SBI) Julia Gardiner (Australia) in the closing plenary held on 26 June, and were to be posted on the SBI 62 website as well as captured in the report of the session.

[An informal note is usually produced by the presiding officers of the consultations (viz., the cofacilitators), while a CRP is produced by a Party or group of Parties (in this case, by the G77 and China).]

Besides the "arrangements for the AF to exclusively serve the PA", the other two issues under consideration were the "membership of the AF Board" and the "fifth review of the AF".

All three issues ended up with texts in brackets, denoting lack of agreement, with the latter two containing different options.

The main bone of contention was whether the three issues on the AF are to be contained in a single draft decision text or in three separate decisions. The single-decision stance was insisted upon by developed countries (as in the informal note, albeit with a caveat stating "it does not prejudge the number of draft decisions that Parties may wish to recommend or consider on these matters"), while developing countries argued for three separate draft decision texts given the three different mandates (as contained in the CRP as three annexes). While the substance of the texts is the same, the key difference between the informal note and the CRP was over whether there would be a single decision on the issues or three separate decisions.

The insistence by developed countries on a single draft decision text stemmed from their firm stance of linking the issue of the "arrangements for the AF to exclusively serve the PA" with the issue of the "membership of the AF Board". This was viewed by developing countries as an effort to hold hostage the "arrangements" issue to the resolution of the "membership" issue, thus blocking progress on the arrangements for the AF to exclusively serve the PA (see details below).

Arrangements for the Adaptation Fund to exclusively serve the Paris Agreement

By decisions <u>1/CMP.14</u> (meeting of the Parties to the Kyoto Protocol) and <u>13/CMA.1</u> (meeting of the Parties to the PA) taken in 2018 in Katowice, Poland, the AF shall exclusively serve the PA

once the share of proceeds from the PA's Article 6.4 carbon market mechanism becomes available. Currently, the AF is largely financed by the share of proceeds from the certified emission reductions (CERs) generated by the Kyoto Protocol's Clean Development Mechanism (CDM).

In Baku last year, decisions 2/CMP.19 and 13/CMA.6 requested SBI 62 to consider the matter of the "arrangements for the AF to exclusively serve the PA" and to make recommendations on this matter for consideration at CMP 20 and CMA 7, respectively, later this year in Belem. The critical issue in this regard is for the CMA to mandate the AF Board to develop and conclude new trustee arrangements with the World Bank (WB) to enable the monetisation of the Article 6.4 share of proceeds; the availability of the resulting funds would then trigger the AF transition to exclusively serve the PA. Currently, existing trustee arrangements with the WB are under the CMP (which enables monetisation of the share of proceeds from the CDM CERs). Additionally, there are governancerelated issues to be addressed under the PA given that the AF is currently governed solely by decision 1/CMP.3 under the Kyoto Protocol.

Hence, the issue of "arrangements for the AF to exclusively serve the PA" is of topmost priority for developing countries to ensure a smooth transition of the AF, keeping it alive and operational during the process. It is to be noted that the AF is considered by developing countries as a unique and important Fund that pioneered "direct access" modalities and provides for full ownership of their adaptation projects. Developing countries also have a larger representation in the membership of the AF Board, unlike other multilateral climate funds.

During the negotiations, after three informal consultations, there was agreement reached on the need for new trustee arrangements with the WB and that, after these come into effect, the existing trustee arrangements with the WB under the CMP will be terminated with a view to ensuring a smooth transition of the AF to exclusively serve the PA. Further, there was also agreement on governancerelated decisions, that the CMP decisions with respect to the AF, including with regard to its institutional arrangements, operational and access modalities, shall apply mutatis mutandis under the PA after the AF transitions to exclusively serve the PA; as well as current secretariat services to the AF Board to continue seamlessly after the AF transition. (See informal note and CRP on this.)

However, at the fourth informal consultations on 24 June, **South Africa**, on behalf of the **African Group**, shared that with respect to negotiations on matters relating to the operation of the CDM, there was still uncertainty about the ending of the share of proceeds from the CERs (see <u>draft decision text</u> in which end dates for issuance, transfer and cancellation of CERs, as well as management of financial resources, are not agreed yet).

According to South Africa, this meant that existing trustee arrangements with the WB cannot be terminated, unless there is certainty that no more share of CDM proceeds needs to be monetised; otherwise, the whole purpose of ensuring the transfer of all remaining CDM funds to the AF is defeated. Therefore, it said that this issue cannot be resolved now and there has arisen the need to speak to the WB and the AF Board on the matter.

All of the **G77 and China** subgroups agreed on the need for a smooth transition of the AF without leaving behind any CDM resources. The **European Union** agreed as well that the issue needs to be sorted out without losing any potential assets from the CDM, and was seconded by **New Zealand** and the **United Kingdom**. Hence, the matter of the "arrangements for the AF to exclusively serve the PA" had to be kept in brackets to be taken to SB 63.

Membership of the AF Board: Issue over change in terminology of groups of Parties

The issue regarding "membership of the AF Board" was about change in terminology with reference to representation of groups of Parties – from "Parties included in Annex I to the Convention (Annex I Parties)" and "Parties not included in Annex I to the Convention (non–Annex I Parties)" as referenced in decision 1/CMP.3 under the Kyoto Protocol, to "developed country Parties" and "developing country Parties" respectively, aligned with the terminology used in the PA.

The demand for the terminology change was led by **Switzerland** for the **Environmental Integrity Group (EIG)**, who said at the very first informal consultations on 19 June that the "understanding" and "mutual agreement" in Katowice was that upon transition of the AF to exclusively serve the PA, there would be a change in terminology. It further clarified that it was formally withdrawing its original proposal on the change in composition of the AF Board and in this regard, expressed that "one single country had a strong proposal, who is no longer around this table" (alluding to the United States).

The EU echoed Switzerland and said that the AF transition is "intertwined with the membership", the composition of the Board remaining the same, but reference to the "Annexes" to be replaced by "developed and developing countries".

South Africa, for the **African Group**, agreed to the mutual understanding in Katowice on the terminology change and premised it on the basis of "faith and multilateralism" essential to the process.

Nepal, for the Least Developed Countries (LDCs), affirmed that it didn't want to see any change in the composition of the Board, but it saw the terminology in line with the PA as appropriate, which was supported by Maldives for the Alliance of Small Island States (AOSIS).

This set of views is represented by "Option 1" in the informal note and the CRP which reads: "Composition of the Adaptation Fund Board and the number of Board members is unchanged; Terminology to be amended with reference to representation of groups of Parties to be aligned with the Paris Agreement text."

In relation to the mutual understanding in Katowice, Saudi Arabia, for the Arab Group, said it "doesn't recognise any understanding", but referred to the decision text of Katowice (which doesn't contain the understanding), and it also did not view the terminology change as "legally relevant", and said that there should not be a discussion issue. It also stressed on the need to avoid any talk about the composition of the AF Board and thus avoid setting a "precedent".

Honduras, for the Independent Alliance of Latin America and the Caribbean (AILAC), said that the terminology change should not be discussed now. China stated that the terminology should remain unchanged.

This set of views is represented by "Option 2" in the informal note and the CRP which reads: "No further discussion at this session; procedural conclusion at this session to defer consideration of matters related to the membership of the Board until the transition of the Adaptation Fund to exclusively serve the Paris Agreement is complete."

At the fourth informal consultations on 24 June, **Russia** underlined the importance of both the terminology and nomination of members remaining unchanged. It proposed "Option 3" reflected in the informal note and the CRP: "Composition of the Adaptation Fund Board, the number of Board members and the procedure of their nomination are unchanged."

Next, the EU presented a new textual proposal, saying that the membership issue was

"essential" to the EU and the EIG and that a lot of work on the language had been conducted in the last couple of days with Parties, who were also consulting their "capitals". It said that before the final informal consultations the next day, it was presenting a textual proposal with a "footnote" which is "not to corner Parties, but to get some text into the draft [of the informal note] to work with and [the text] is not take it or leave it".

Its proposal is reflected in "Option 4" of the informal note and the CRP which reads: "Composition of the Adaptation Fund Board and the number of Board members is unchanged; Terminology with respect to the composition of the Adaptation Fund Board is amended, such that: With respect to the seats referred to in paragraph 6(d-e) of decision 1/CMP.3, 'developed country Parties' replaces 'Parties included in Annex I to the Convention (Annex I Parties)', and 'developing country Parties' replaces 'Parties not included in Annex I to the Convention (non–Annex I Parties)' respectively." The footnote reads: "This does not alter the status of countries, nor does it prejudice future negotiating positions or views of Parties in this regard."

The EU's proposal was supported by **Switzerland** for the **EIG**, **New Zealand** and the **United Kingdom**.

Fifth review of the Adaptation Fund: Divergence reflected by two options

On this matter, the **LDCs** and **AOSIS** were very firm about abiding by the mandate and, thus, initiating the fifth review, while the **African Group**, the **Arab Group** and **AILAC** did not support the review, giving the rationale that it is not practical in the context of the AF transition and that the review can be conducted once the AF exclusively serves the PA. The **EU** was also flexible about the review as long as it was not deferred indefinitely.

The two sets of views are reflected in the two options contained in the informal note and CRP, respectively.

Arrangements for AF transition "held hostage" over change in terminology of membership composition of AF Board

With texts on all three issues under consideration and not agreed and in brackets in the form of an informal note, protracted negotiations next ensued over whether the three issues would be contained in a single draft decision text or three separate draft decision texts given three different mandates between developed and developing countries.

At the fourth informal consultations on 24 June, which were supposed to be the penultimate session, co-facilitator Camara proposed to take forward the work with "draft conclusions" containing "three annexes" carrying the three elements (issues). This was supported by **South Africa** for the **African Group**, **Saudi Arabia** for the **Arab Group**, and **China**, with the **EU** introducing a caveat that it would go along as long as the draft conclusions said "no different decisions".

However, the **UK** opposed the three annexes, reiterating its preference for a "single draft decision text". This was supported by **Switzerland** for the **EIG**, **Canada** and **New Zealand**.

Next, the African Group, the Arab Group and AILAC stated that they could accept the EU's caveat with the three annexes proposed by cofacilitator Camara. However, the UK then changed its position and proposed to take forward "draft conclusions with the informal note", which was seconded by Switzerland for the EIG, Canada and New Zealand. The EU added that it was trying to be "constructive" but that in splitting the elements (issues) by mandate, the "notion" on the change in terminology was "lost" and it was "reluctant to start all over again in Belem".

New Zealand offered a compromise to "separate the review" in a separate annex but keeping the arrangements for AF transition and the membership elements as a "package", which was supported by the **UK**.

Describing the proposed compromise as an "even worse option", **Saudi Arabia**, for the **Arab Group**, lamented that the negotiations were showing "no good faith" and called for the "need to show progress in the finance room".

South Africa, for the **African Group**, expressed its frustration, stating that finance was again being "blocked by developed countries", and further berating **Canada** for blocking progress when it had pulled out of the Kyoto Protocol. It reminded developed countries that the AF was a "developing country fund of our CDM projects and that is why we have more members" in the AF Board.

The next day, 25 June, co-facilitator Camara proposed draft conclusions with the "infornal note" as well as the "CRP" tabled by the **G77 and China**. She proposed that the conclusions be "read out by the SBI Chair in the [closing] plenary" as well as "captured in the SB 62 website and in the report of the session".

The G77 and China, led by Iraq, made a statement thanking the co-facilitators for their work, and highlighted that "we are committed to the work related to the AF as it is a key priority for developing countries. We are disheartened by the progress made, despite the flexibility and all the hard work we have put into it. In the spirit of ensuring that our hard work during these weeks is captured, we are okay to engage with the proposed text, and suggest the inclusion of the CRP proposed by G77 and China as a footnote".

On the way forward proposed by Camara, **South Africa** pointed out that from past experience, if the conclusions are not forwarded, then the informal note should be carried by a footnote and there should also be a second footnote carrying the CRP by the G77 and China. **Saudi Arabia** then suggested language formulation in the draft conclusions to carry the two footnotes.

The agreed conclusions thus read:

"The SBI continued consideration of matters relating to the membership of the Adaptation Fund Board, and additionally considered the matter of the arrangements for the Adaptation Fund to exclusively serve the Paris Agreement, as well as the initiation of the fifth review of the Adaptation Fund.

The SBI agreed to continue consideration of these matters at SBI 63 (November 2025) on the basis of the work conducted at SBI 62.^{1, 2}

The SBI noted that this work does not represent agreement among Parties, does not prejudge further work or prevent Parties from expressing their views in the future, nor does it prejudge the number of draft decisions on these matters that Parties may wish to recommend or consider."

Footnote 1 contains the link to the <u>informal</u> <u>note</u> by the co-facilitators on the SBI 62 website. Footnote 2 contains the link to the <u>Conference</u> <u>Room Paper</u> submitted by the G77 and China on the SBI 62 website.