TWN Climate News Updates

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Bonn Climate News Updates

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NOTE

This is a compilation of 19 News Updates prepared by the Third World Network for and during the June UN Climate Meetings – encompassing the 60th sessions of the Subsidiary Body for Implementation (SBI 60) and the Subsidiary Body for Scientific and Technological Advice (SBSTA 60) – held in Bonn, Germany, from 3 to 13 June 2024.

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What to expect at the intersessional UN climate talks

Bonn, 3 June (Prerna Bomzan and Meena Raman) – The 60th sessions of the United Nations Framework Convention on Climate Change (UNFCCC)'s Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) are convening in Bonn, Germany, from 3 to 13 June 2024, presided over by SBI Chair Nabeel Munir (Pakistan) and SBSTA Chair Harry Vreuls (Netherlands).

The climate talks are taking place in what appears to be a rather cold Bonn, with low temperatures unlike the usual summer weather, and in stark contrast to the unprecedented and unbearable heatwaves in many parts of the world, which have already claimed lives and are causing much disruption.

The key objective of the intersessional meetings of the Subsidiary Bodies (SBs) is to advance work on the decisions adopted at the 28th session of the Conference of the Parties to the UNFCCC (COP 28) held in Dubai, UAE, last year, as well as the 5th session of the Conference of the Parties to the Paris Agreement (CMA 5). The work in Bonn will lay the ground for new decisions to be adopted at the climate talks scheduled in November this year in Baku, Azerbaijan.

COP 29 in Baku has been dubbed the "Finance COP", as Parties have to fulfil the mandate agreed to in Paris in 2015 for a decision on the new collective quantified goal on climate finance (NCQG), from a floor of $100 billion per year, taking into account the needs and priorities of developing countries. Although the NCQG is under the purview of the CMA, negotiations on it will take place in conjunction with SB 60 under the ad hoc work programme (AHWP), to enable the production of a draft negotiating text well in advance of Baku. Besides climate finance, other critical issues in the spotlight are also set out below.

Finance-related matters

Besides the NCQG, the other two finance items which will be discussed in Bonn are: (i) first 2024 workshop under the Sharm el-Sheikh Dialogue on Article 2.1(c) of the Paris Agreement (PA) and its complementarity with Article 9; and (ii) matters related to the Adaptation Fund. The rest of the bulk of finance issues will be negotiated under the COP and the CMA in November.

New collective quantified goal on climate finance

At COP 28/CMA 5, by decision 8/CMA.5, Parties decided to transition into a mode of work to enable them to engage in developing the "substantive framework for a draft negotiating text" on NCQG for consideration by CMA 6 in November. Led by reappointed Co-Chairs Zaheer Fakir (South Africa) and Fiona Gilbert (Australia), in 2024, at least three meetings under the NCQG's AHWP are to be held. They will be conducted back-to-back with and informed by the preceding Technical Expert Dialogues (TEDs) on the elements of the NCQG.

The first meeting under the AHWP was convened in a hybrid format in Cartagena, Colombia, on 25–26 April following the 9th TED on 23–24 April. Divergences between developing and developed countries were more pronounced on the key political issues that have dominated the NCQG negotiations, the most prominent being the push by developed countries on who would contribute to the goal (expanding the donor base) and who would receive the finance (limiting the recipients of finance). Developing countries maintain that the provision and mobilisation of the NCQG is a legal obligation of developed countries under the PA and that all developing countries are eligible to receive climate finance. The quantum element of the goal is the most crucial outcome but discussions on this, as well as on what the timeframe of the goal will be, have remained elusive. (See https://twn.my/title2/climate/info.service/2024/cc240501.htm.)

On 24 May, the AHWP Co-Chairs published a note on progress made at the first meeting and the way forward, which also includes an input paper for the second meeting to be conducted in Bonn. The input paper contains proposed elements of the framework for a draft negotiating text, with an explanatory note from the Co-Chairs stating that the input paper is "NOT exhaustive and has NO status".

The second meeting under the AHWP will be conducted over multiple two-hour slots on 5, 8, 10 and 11 June, following the 10th TED on 3 June which will cover four issues – ambition and qualitative elements of the NCQG, as well as structure and transparency arrangements of the NCQG.

Workshop under the Sharm el-Sheikh Dialogue on Article 2.1(c) of the PA

In Dubai, by decision 9/CMA.5, 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. The negotiations in Dubai revealed that there was no common understanding among developed and developing countries on Article 2.1(c), which refers to "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". (See https://twn.my/title2/climate/news/Dubai01/TWN%20update%208.pdf.)

The modalities of the dialogue in 2024 and 2025 include the organisation of at least two workshops per year under the guidance of the reappointed Co-Chairs Mohamed Nasr (Egypt) and Gabriela Blatter (Switzerland). On 6 May, the Co-Chairs issued a message on their approach to the organisation of the dialogue, including potential topics and issue areas suggested by Parties and non-Party stakeholders for discussion in 2024.

The Co-Chairs' message informed that the main focus of the first workshop will be on adaptation investments and the consistency of financial flows with a climate-resilient development pathway as well as linkages to broader sustainable development co-benefits and impacts. The first 2024 workshop is scheduled for 12–13 June.

Matters relating to the Adaptation Fund

The key sticking point in relation to the Adaptation Fund (AF) is over the membership of the Board, in light of consistent attempts especially by the United States (US) to change the Board's composition on grounds that the AF is in transition to exclusively serve the PA. However, decisions 13/CMA.1 and 1/CMP.14 state that only once the share of proceeds to the AF becomes available under Article 6.4 of the PA (on market-based approaches) shall the AF no longer serve the Kyoto Protocol (KP).

The AF is under the KP and the US as well as Canada are not Parties to the Protocol. So they only have an observer status with no decision-making role regarding the AF. The Board currently represents a majority of members from developing countries.

This agenda item has been deferred since SB 58. There is no consensus to discuss the Board membership now, as the AF still serves the KP. However, the agenda will open once the share of proceeds of Article 6.4 is made available. The Group of 77 and China (G77 and China) has been pushing for a decision to not include this issue as a future agenda item but this has been in vain.

Global stocktake

In Dubai, by decision 1/CMA.5, the outcome of the first global stocktake (GST) was adopted following a North-South divide, especially pertaining to the so-called historic decision on "transitioning away from fossil fuels" as stated in paragraph 28 of the decision. (See https://twn.my/title2/climate/news/Dubai01/TWN%20update%2024.pdf.) There are three specific mandates from the decision to be addressed at SB 60.

UAE dialogue on finance-related outcomes

Paragraph 97 of the GST decision, under the "Finance" heading of the "Means of implementation and support" section, decided to “establish the ‘xx’ dialogue [now named as the UAE dialogue in the edited version of the decision] on implementing the global stocktake outcomes”. Paragraph 98 decided that the UAE dialogue will be operationalised starting from CMA 6 (2024) and conclude at CMA 10 (2028), requesting the SBI to “develop modalities for the work programme” at SB 60 for consideration by CMA 6.

The key matter on this issue is the “scope” of the UAE dialogue. The developed countries and some developing countries view the dialogue as a space for the implementation of the entire outcomes of the GST (especially focusing on paragraph 28 as regards the mitigation efforts including on fossil fuels), while a majority of the developing countries see it as a space to focus only on the finance-related outcomes of the GST, given the placement of the paragraph under the “Finance” heading. Hence, SB 60 will witness a fight over interpretation of the scope of the UAE dialogue.

Annual GST dialogue

Paragraph 187 of the GST decision, under the “Guidance and way forward” section, requests the SB Chairs to organise “an annual GST dialogue” starting at SB 60 to “facilitate the sharing of knowledge and good practices on how the outcomes of the global stocktake are informing the preparation of Parties’ next nationally determined contributions [NDCs] in accordance with the relevant provisions of the Paris Agreement”, and also requests the secretariat to prepare a report for consideration at its subsequent session.

The annual GST dialogue is a mandated event scheduled to take place on 6–7 June, comprising the following thematic roundtables:

(i) Integrating GST-1 outcomes into the updating and preparation of NDCs:

- Mitigation and response measures – Discussions on experiences and lessons from Parties on efforts and plans with the 1.5°C objective, setting economy-wide targets, focusing on all greenhouse gas emissions and all sectors.
- Adaptation and loss and damage – Discussions on experiences and good practices in (1) integrating the objectives and respective targets and good practices in National Adaptation Plan implementation and (2) coherence and synergies across efforts towards averting, minimising and addressing loss and damage.
- Means of implementation and support – Discussions on experiences and good practices on enabling environment and support requirements including technology development and transfer, capacity building and finance.

(ii) Enabling and cross-cutting elements:

- Domestic arrangements – Exchange of experiences, lessons and information on processes, plans and procedures that Parties are undertaking in the review, updating and preparation of their NDCs.
- International cooperation – Share information and discuss experiences and good practices in bilateral, regional and multilateral cooperation for advancing NDCs.

A key issue which is expected to feature is on what is meant by “the sharing of knowledge and good practices on how the outcomes of the GST are informing the preparation” of Parties’ next NDCs (due in early 2025), i.e., whether the discussion will be on sharing experiences on the process of NDC preparation, or on the substance and content of the NDCs.

Refinement of procedural and logistical elements of the overall GST process

By paragraph 192 of the GST decision, Parties decided to commence “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” at SB 60 and conclude at CMA 6.

Negotiations on this matter will touch upon the three components of the GST: information collection and preparation; technical assessment; and the consideration of outputs. The synthesis report prepared by the secretariat synthesises information submitted by Parties and non-Party stakeholders on the issue.

Matters related to adaptation

There are four agenda items under adaptation: matters related to the global goal on adaptation (GGA); national adaptation plans; report of the Adaptation Committee (AC) and review of the progress, effectiveness and performance of the AC; and Nairobi Work Programme on impacts, vulnerability and adaptation to climate change.

The most pressing issue is matters related to the GGA, which entails the development of indicators under the two-year UAE-Belem work programme for measuring progress achieved towards the thematic and dimensional targets adopted by decision 2/CMA.5 under the UAE Framework for Global Climate Resilience at CMA 5. The adoption of this GGA framework was a huge win for developing countries after a tough fight. (See https://twn.my/title2/climate/news/Dubai01/TWN%20update%2025.pdf.) 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.

In relation to the work programme, Parties and observers were invited to provide their views via submissions on the development of the indicators and potential quantified elements for the thematic and dimensional targets (paragraphs 9–10 of the decision), as well as on the modalities of the work programme including organisation of work, timelines, inputs, outputs and the involvement of stakeholders. Further, as mandated by paragraph 43 of the decision, the SB Chairs organised a workshop in May in Thimpu, Bhutan, and Parties are now expected to further advance work in this regard at SB 60.

At the workshop in Bhutan, Uganda, speaking for the G77 and China, highlighted the priority of focusing on the modalities of the work programme to start with in order to ensure a clear roadmap before moving on to the substance of the development of the indicators.

Mitigation work programme

CMA 4 decided that at least two global dialogues shall be held each year as part of the Sharm el-Sheikh mitigation ambition and implementation work programme. In 2024, the reappointed Co-Chairs Amr Osama Abdel-Aziz (Egypt) and Lola Vallejo (France) decided that the dialogues this year will focus on the topic “Cities: buildings and urban systems”. A three-day event (27–29 May) was held in Bonn prior to the SB 60 session and a report is to be prepared by the Co-Chairs later in the year.

At SB 60, Parties are expected to discuss further steps to be taken, with some attempting to advance the outcomes of the GST decision adopted in Dubai on the global mitigation efforts, including on the issue of transitioning away from fossil fuels.

UAE just transition work programme

CMA 4 established a work programme on just transition (JTWP) for discussion of pathways to achieving the goals of the PA. At CMA 5 in Dubai, Parties agreed on the elements of the work programme. They also decided that the SBs shall guide the implementation of the work programme through a joint contact group to be convened starting at SB 60, with a view to recommending a draft decision on this matter for consideration and adoption by the CMA.

Negotiations in Dubai on the JTWP were contentious, including on the scope of the work programme. Developing countries wanted the scope to be broad and cover all three pillars of sustainable development (social, economic and environmental) in the context of equity and common but differentiated responsibilities and respective capabilities, while developed countries preferred it to be narrower and focus on the work programme on the workforce, primarily in relation to the energy transition, and also enhance ambitious domestic climate actions. (See https://twn.my/title2/climate/news/Dubai01/TWN%20update%2019.pdf.)

How the JTWP will be implemented is expected to be interesting and closely watched. The first dialogue under the JTWP on “Just Transition pathways to achieving the goals of the PA through NDCs, NAPs and LT-LEDS” is scheduled for 2–3 June. (LT-LEDS are long term-low emission development strategies.)

Article 6 of the PA

In relation to Articles 6.2 and 6.4 of the PA on market-based cooperative efforts, the SBSTA Chair Vreuls produced an informal note on 29 May to facilitate the discussion for SB 60 since there had been no agreement at the CMA in Dubai. The note suggests that the first week of SBSTA 60 focus the discussions on the agreed electronic format for the submission of annual information, sequencing of reviews and address inconsistencies within Article 6.2 as well as deal with authorisations and the issues regarding registries for both Articles 6.2 and 6.4.

The aim by the end of the Bonn session is to produce a first draft of CMA decisions for Articles 6.2 and 6.4 to forward to SBSTA 61 for further consideration.

In relation to Article 6.8, the first in-session workshop on 4 and 6 June will be on an exchange of views on financial, technology and capacity-building support available or provided for identifying and developing non-market approaches, including enhancing access to various types of support and identifying investment opportunities and actionable solutions that support achievement of NDCs.

Arrangements for intergovernmental meetings

In a joint note, the SB Chairs have called on Parties "to build on previous discussions to identify concrete steps for increasing the efficiency of the UNFCCC process". They state further that "[t]he increasing scale of UNFCCC conferences in recent years has implications for the transparency, inclusiveness and effectiveness of the process, and has at times stymied progress". At SB 60, four documents have been prepared by the secretariat for consideration by Parties to recommend a draft decision on the relevant matters for consideration and adoption at COP 29. These cover:

(i) Arrangements for intergovernmental meetings (AIM): This document provides information on the preliminary scenario for the organisation of the November 2024 sessions of the governing bodies, including possible elements of the provisional agendas; planning for future sessions; increasing the efficiency of the UNFCCC process towards enhancing ambition and strengthening implementation; and engaging observer organisations in the intergovernmental process, including their admission to the UNFCCC process.

(ii) Implications of changing the frequency of sessions of the governing bodies: This document provides an overview of the implications of changing from the current annual cycle, as well as options pertaining to the frequency of sessions of the governing bodies taking into account mandates and commitments under the Convention, the KP and the PA and the views of Parties.

(iii) Options for increasing the participation of observer organisations from developing countries in the UNFCCC process: This technical paper presents options for increasing the participation of observer organisations from developing countries, including, but not limited to, providing financial support, as well as options for enhancing the effective and meaningful engagement of observer organisations, in the UNFCCC process.

(iv) Options for reducing overlapping items on the provisional agendas of the governing and subsidiary bodies: This technical paper provides an overview of the preparation of the provisional agendas for sessions of the UNFCCC governing and subsidiary bodies, including trends observed in 1995–2023 and risks and challenges related to agenda setting; highlights the approaches taken by the secretariat, in consultation with the presiding officers, to reduce overlap of items on such agendas; and presents a synthesis of options, including those proposed by Parties, for rationalising the agendas.

The AIM agenda is expected to be highly contentious and closely watched, given the implications of the decisions taken on the way future meetings are to be conducted.

Adoption of provisional agendas

It is also to be noted that in the SB 60 provisional agendas, two new matters have been included, proposed by Bolivia, viz.: (i) "Developed countries' immediate and urgent action to achieve net zero emissions at the latest by 2030 and net negative emissions thereafter"; and (ii) "Roadmap on financial support and means of implementation for alternative policy approaches to results-based payments such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, to be effective at COP 29 and CMA 6". How these two proposed agenda items will be dealt with by the SB Chairs, will be known on the opening day of the SBs, during the adoption of the agendas on 3 June.

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UNFCCC subsidiary bodies launch work

Bonn, 4 June (Radhika Chatterjee) – The 60th sessions of the UNFCCC's subsidiary bodies – the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) – launched work on 3 June in Bonn, Germany, with the SBSTA Chair Harry Vreuls (Netherlands) and SBI Chair Nabeel Munir (Pakistan) convening the opening plenaries of the two bodies together.

The work began in a bumpy manner, with the opening plenary suspended twice before the agenda was adopted by Parties. The first suspension occurred due to a peaceful protest by South African and Argentine climate justice activists Tasneem Essop and Anabella Rosemberg over the genocide that is being carried out by Israel in Palestine. The plenary resumed after the two were removed from the stage and escorted out by UN security. (It has been learnt that Essop and Rosemberg have also been de-badged for their action by the UNFCCC.)

The second suspension happened right before SBI Chair Munir proposed the adoption of its agenda. The **Russian Federation** representative blocked the agenda adoption and said it was doing so because of a delay by the host country Germany in granting visas to four of their colleagues. The agenda was eventually adopted after the Russian delegation was given assurance that its members would be granted visas.

The SB agendas were adopted after dropping two proposals made by Bolivia titled "Developed countries' immediate and urgent action to achieve net zero emissions at the latest by 2030 and net negative emissions thereafter" and "Roadmap on financial support and means of implementation for alternative policy approaches to results-based payments such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, to be effective at the 29th session of the COP and the 6th session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA)". The Chairs announced that informal consultations on these items would be conducted and they would report back to Parties regarding the progress made at the closing plenary.

Demonstrating a spirit of "flexibility and constructiveness" in letting its proposals be removed from the agenda, **Bolivia**, speaking on behalf of the **Like-Minded Developing Countries** (**LMDC**), said, "It has been more than 30 years since our countries signed the UNFCCC, convinced that this agreement had the strength to solve the climate crisis. Regrettably, this has not happened … The truth is that in 30 years, Annex I countries have consistently used the strategy of blaming and shifting their responsibilities to developing countries." Bolivia said "current developed countries' targets for achieving net-zero carbon emissions by 2050 fall far short of what is needed to contain climate change and allow the developed countries to evade their fair share of climate action". "Developed countries' commitments of net zero by 2050 are too little and too late," it added, saying this means advancing "carbon colonialism". It also highlighted that mitigation actions needed to achieve the Paris Agreement temperature goals require that developed countries should take "immediate and urgent action to achieve net-zero emissions latest by 2030 and net-negative emissions thereafter". Bolivia also said it would present its proposal again for the next COP and CMA agendas, based on the outcomes of the consultations at SB 60.

Speaking for itself, Bolivia elaborated on the rationale for its second proposal ("Roadmap on financial support and means of implementation for alternative policy approaches to results-based payments…"). It said this approach had been approved in Article 5 of the PA and decision 16/CP.21, and had specific mandates for the provision of finance. It added that the proposal was about "unlocking the provision of finance for joint mitigation and adaptation for the integral and sustainable management of forests as a non-market-based approach".

Brazil, speaking on behalf of itself, **South Africa, India and China (BASIC)**, expressed concerns regarding the SBI agenda item on "Reporting from and review of Parties included in Annex I to the Convention". It said the projections under compilation and synthesis of reports showed that from 2020 to 2030 there is an increase of emissions of Annex I Parties. Citing the urgent need for reducing greenhouse gas emissions, it called for a dedicated space for discussions to understand what additional measures can be taken by Annex I Parties to reduce their emissions from 2020 to 2030. **Egypt** and the **LMDC** echoed Brazil's request. SBI Chair Munir accepted their request and said the relevant agenda items would be considered separately.

Kenya, speaking on behalf of the **African Group**, raised concerns during agenda adoption regarding the merging of consideration of the Adaptation Committee (AC) report and the review of the work of the AC. Expressing disagreement with the "legal form of the proposal", it said "considering one side or part of an agenda item and deferring the other to the future may lead to misinterpretation for the next sessions and set new difficulties for the AC negotiations". According to sources, the two items have been separated into two agenda items.

Highlights of key interventions

Parties also conveyed their expectations at SB 60.

Uganda, speaking on behalf of the **G77 and China**, welcomed the pledges made to the Loss and Damage Fund. Expressing a word of caution, it said "the pledges and contributions should be commensurate with the scale of the needs for loss and damage, which is already costing developing countries hundreds of billions of dollars per year". It also asked for the further operationalisation of various loss-and-damage-related decisions.

Speaking about the global stocktake (GST) decision at Dubai last year, Uganda said, "It is essential to recognise that there is no one-size-fits-all approach to combating climate change. National sovereignty, circumstances, plans and strategies will determine each country's pathway to contributing to global efforts, always inspired by the highest level of ambition." It added that "all outcomes must be implemented in line with the need for urgent action and support to keep the 1.5°C within reach in this critical decade, and according to key principles including equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) in the light of different national circumstances, respecting the nationally determined nature of climate action". Referring to the need for a balanced and comprehensive global response, it said developed countries have to take "the lead in emissions reduction and providing urgent scaled-up means of implementation to developing countries".

Emphasising the need for a successful COP 29 outcome in Baku, Uganda said countries must work at Bonn for "setting an ambitious new collective quantified goal on climate finance (NCQG)". It added that "climate finance goals must be needs-based, addressing the trillions of dollars finance needs to meet global climate targets. 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, including high cost of capital, limited fiscal space, and high transaction costs". It asked developed countries to address the "non-enablers, such as unilateral measures, transaction costs and illicit financial flows that are creating reverse flows from South to North". (Uganda was referring to measures like the EU's Carbon Border Adjustment Mechanism.)

It also asked for advancing the work in the SB sessions by operationalising various items like "the UAE Framework for Global Climate Resilience on the Global Goal on Adaptation and the UAE Just Transition Work Programme including through setting the roadmap for the UAE-Belem work programme … [and] the dialogue on implementing the Global Stocktake outcomes referred to in paragraphs 97 and 98 [on finance] of the GST outcome and conducting the First Annual Global Stocktake dialogue".

It raised the need for "agreeing on effective modalities for the Technology Implementation Programme and enhancing the linkage between the

Technology and Finance Mechanisms to ensure the delivery and transfer of needed technologies to developing countries and providing support for their endogenous development in developing countries".

Kenya, for the **African Group**, expressed concerns about the high number of mandated events in parallel with negotiations, which it said would create scheduling difficulties for smaller delegations. It also underlined the urgent need for agreeing on "modalities and plan of work for the UAE-Belem work programme on indicators here in Bonn" (in relation to the global goal on adaptation) so that Parties "can advance the technical work required to deliver on the mandate by CMA 7".

On the NCQG, the African Group voiced its extreme concern that the process was not offering certainty of delivering an ambitious quantum but rather was moving in a direction that would not support the goals of the PA. It added that Africa would not accept an unambitious outcome which sets the floor at $100 billion and which invites all Parties to make voluntary contributions. "Currently, the continent allocated 5% of its GDP to adaptation and loss and damage, [and] is only able to mobilise about 10% of its needs for climate finance that is in the scale of $2.4 trillion by 2030, and only 2% of global renewable energy financing reaches the continent."

It also highlighted that "debt is a major obstacle against achieving Africa's adaptive potential and development. African debt repayments exceed what it allocates to health and what it allocates to climate finance. The region stresses that just transitions, financing adaptation, and loss and damage, and debt swaps are our calls. A finance goal with a quantum in the trillions must provide developing countries, especially African countries, with the required catalysts for delivering on current pledges including in nationally determined contributions (NDCs) and national adaptation plans (NAPs), meeting Africa's renewable energy and clean cooking goals, and unlocking their potentials". It stressed that "grants and concessional financing for adaptation and loss and damage are the cornerstone for success".

On the mitigation work programme (MWP), it reiterated that the "outcomes should be non-prescriptive, non-punitive and facilitative".

Kenya expressed disappointment at the choice of a more expensive venue (in Geneva) for the secretariat of the Santiago Network on Loss and Damage (SNLD) "despite the report on the host of the secretariat proposing the UN Disaster Risk Reduction (UNDRR) office in Nairobi as the most cost-effective venue".

On paragraph 97 of the GST decision, the African Group understood that "the dialogue's sole mandate is to discuss the availability, predictability and adequacy of the provision of finance to support the implementation of the current NDCs and NAPs, and deliver on the additional recommendations from the CMA.5 outcomes. Negotiations about the modalities must be considered on the basis of this understanding".

On the GST annual dialogue, Kenya said it "must do more than sharing of views on best practices and challenges for NDC preparation. It should enhance understanding on how Parties are implementing the outcomes on adaptation, technology transfer and development, and energy transition, in a manner that is just, orderly and equitable, and takes into consideration the needs to achieve sustainable development and eradicate poverty". It also asked for the annual dialogue to "provide guidance to make international cooperation effective and stimulate ambition across the board". "We expect this dialogue to conclude at the end of 2025," it added.

Bolivia, for the **LMDC**, highlighted several messages to advance the "common interest of saving Mother Earth and her peoples from the devastating impacts of climate change". Calling for multilateralism to deliver, it said "the direction of its travel, though, remains far from encouraging … Goalposts are being shifted, mandates are being selectively viewed and the burden of climate action is being transferred to developing countries". In a scathing criticism of developed countries, it said their "unilateral coercive measures" were negatively impacting developing countries. "We hear all kinds of things – terms that do not belong to the Convention and its PA – being used unabashedly, especially in conversations around finance," it added. "This needs to change."

Speaking in the context of the next round of NDCs, it said, "The level of ambition in developing countries will be determined by the level of support to be provided, not only on finance but also technology and capacity building. We need clear assurances that this support will be forthcoming from developed countries. Materially, the NCQG – and the finance agenda – will determine how words translate into actions – and set the course of climate action for developing countries."

Referring to net zero goals, it said, "For developing countries, the timeframes between peaking and net zero emissions are much, much shorter than that of developed countries. It's high time our partners demonstrate leadership. If we are to achieve our temperature goal, we need the developed countries to achieve net zero emissions latest by 2030 and net negative immediately thereafter. By setting targets in 2040 or 2050, developed countries are simply asking to continue misappropriating the carbon space and blocking developing countries' right to development, therefore increasing the gaps between the Global North and the Global South. This goes against equity."

Highlighting the need for delivery of ambitious climate finance, Bolivia said, "It is unacceptable that those responsible for climate change are asking us to pay further." It added, "It is unacceptable that they are pressuring us on transitions, without the means, and without such transition being reflected in their own climate action plans."

Brazil, speaking on behalf of **BASIC**, said "our changing climate requires progress towards sustainable development and the mobilisation of all of humanity's resources to tackle structural inequalities within and among countries. We call the international community to come together in a united front to combat climate change". It added that now was the "time we strengthen multilateralism and reject unilateralism".

On climate finance, it said the NCQG has to be "well beyond the floor of $100 billion per year by developed countries, as the financing needs of developing countries now amount to trillions of dollars. The legal mandate around the NCQG emerges from climate finance obligations developed countries have under international law, in particular under the Convention and its PA. As per Article 9 of the PA, public sources must be at the very core of the NCQG. Most importantly, the NCQG must fulfil one of the most consequential gaps in our regime: the definition of climate finance. In addition to quantity, the NCQG must reflect quality in climate finance, which refers to access, efficacy and clarity on what climate finance is and on what it is not".

Referring to ongoing work on the biennial transparency reports (BTRs), it said that, "during SB 60, the new tools developed by the UNFCCC secretariat to facilitate the preparation of the BTRs must be reviewed. Parties will also discuss how the technical and financial support provided by developed countries is helping developing countries meet their transparency commitments under the regime".

It also asked for progress to be made in the SB session on adaptation negotiations, especially "the structure of the UAE-Belem work programme on indicators for the agreed targets [for the GGA]" – a "process that shall be concluded at COP 30 in Brazil".

It also expressed concerns about "some developed countries … adopting unilateral coercive measures in the name of climate action, such as carbon border adjustment mechanisms, that pose a serious threat to the sustainable development of developing countries".

Samoa, speaking on behalf of the **Alliance of Small Island States (AOSIS)**, said, "The GST outcome provides a clear collective commitment to course-correct to rapidly reduce greenhouse gas emissions to achieve the 1.5°C temperature goal, and recognises that more ambition and accelerated implementation is needed in this decade", and called "to expedite efforts to phase out fossil fuels and end fossil fuel subsidies". Calling for ambitious climate mitigation action, it asked for peaking global emissions before 2025.

It also asked for the new NDCs to be aligned to the 1.5°C goal and to "cover all greenhouse gases, sectors, and categories. These NDCs must also detail how Parties plan to implement the mitigation elements of the GST outcome". It wanted the MWP to focus on delivering actionable solutions to support the GST implementation, particularly in mitigation and energy packages.

On the issue of climate finance, Samoa said, "Implementation of current NDCs will require the mobilisation of $6 trillion. Grant funding is decreasing rapidly while the finance required for adaptation action is growing." Samoa said that new, additional, predictable and adequate climate finance must be aligned with the best available science, and called for a new financial goal that is fit for purpose, which should have clear sub-goals to mobilise and deliver finance on adaptation, mitigation, and loss and damage.

It also said the new fund established to address loss and damage needs to be capitalised as soon as possible to ensure the smooth launch of its activities.

Venezuela, speaking for **Bolivia, Cuba, Nicaragua** and itself (**ALBA**), said, "The GST outcome cannot be used as a basis for imposing conditionalities on developing countries' domestic policies, especially with regard to access to finance, technology transfers or support for capacity building. Nor can it be the basis for the imposition of unilateral coercive measures or trade measures based on climate criteria that have adverse effects on developing countries." Referring to the next round of NDCs, it said "the level of ambition will be determined by the level of support not only in finance but also in technology and capacity building. Without adequate support from the means of implementation, it is an enormous challenge for developing countries to implement actions at the national level".

Criticising unilateral coercive measures, Venezuela said its consequences "represent a crime against humanity [and] are becoming more evident every day, covering a wide spectrum, constituting actions that directly and indirectly affect the capacities to respond to the climate crisis and the response capacities of the states to guarantee the right to development and basic rights such as water, or to a healthy environment".

Venezuela ended ALBA's statement by expressing solidarity with the Palestinian people, victims of a genocidal war that had cut short the lives of thousands of their children. It added that "this conflict has also had a negative impact on the current climate crisis. According to a study published earlier this year, the emissions generated during the first two months of the Gaza war were greater than the annual carbon footprint of more than 20 of the world's most climate-vulnerable nations. The research, conservatively, by analysing only one set of carbon-intensive activities, estimated that the climate cost of the first 60 days of Israel's military response was equivalent to burning at least 150,000 tons of coal".

Saudi Arabia, for the **Arab Group**, said that arriving at an ambitious finance goal that is in line with principles of the UNFCCC and the PA was an important priority for the group. It also called for viewing the GST outcome holistically. Reiterating the importance of realising the goals of just transition and poverty eradication, it said both should occur in a just manner, and laid emphasis on the principles of CBDR.

Malawi, for the **Least Developed Countries (LDCs)**, laid emphasis on the need to achieve the 1.5°C goal and asked countries to put forward ambitious NDCs, adding that they could be implemented when developing countries receive ambitious climate finance. It said the NCQG should be "at scale, largely public finance" and "must be accessible".

Honduras, speaking on behalf of the **Independent Alliance of Latin America and the Caribbean (AILAC)**, pointed out key aspects of its ambition agenda, including: the need for maintaining in-depth discussions on how to align with NDCs and ensure follow-up on outcomes of the GST; and the need to focus on how to achieve the means of implementation. On the NCQG, it said AILAC stood for a "new ambitious-level goal that addresses mitigation, adaptation, loss and damage". Further, this goal "shouldn't increase debt levels" of AILAC countries and should keep in mind the financing challenges they face due to high cost of capital and limited fiscal space, which prevent them from addressing their goals of sustainable development. Highlighting the important role of rainforests, it said it was crucial to stop their deforestation.

The **European Union (EU)** said the SB sessions were a stepping stone towards achieving a successful outcome in Baku at COP 29. It described the NCQG as a "unique opportunity to strengthen the international climate finance landscape". Acknowledging the need for a goal, it said mobilisation of finance should come from a wide variety of sources and be accompanied by the creation of enabling environments. It added that the provision of climate finance should be a global effort capturing evolved circumstances and capabilities. Highlighting the limitation of public finance to deliver on the goal, it said "public resources alone will not suffice". It called for sending a strong signal to the global economy, including international markets, and at both domestic and global levels. It added that it would engage in the Sharm el-Sheikh Dialogue on Article 2.1(c) and its complementarity with Article 9 of the PA on the issue of how to align climate finance flows to climate-resilient pathways, and how to create enabling environments.

The EU also said that it was crucial for the upcoming round of NDCs to be ambitious and that these NDCs "should include economy-wide absolute emission reduction targets" and energy transition targets related to paragraph 28 of the GST outcome document from Dubai (on global mitigation efforts). It also shared that it had started preparation for its next NDCs, which would be informed by the European Commission's 2040 climate targets.

On the NCQG, **Switzerland**, for the **Environmental Integrity Group**, highlighted the need to discuss issues relating to contributors and recipients, and the need for the goal to "encompass various sources". It added that the goal "should ensure that investment of public finance" was directed "where they are most needed". It expressed support for the idea of achieving global peaking of emissions by 2025. On the issue of NDCs, Switzerland said it was important to consider how the NDCs "will contribute in energy transitions". It said it was looking forward to substantial outcomes on the MWP and the just transition work programme. Referring to carbon markets, it said they "hold promise for emissions reduction around the globe" and that the task relating to this topic which was left unfinished at COP 28 needed to be completed by COP 30.

Canada, speaking for the **Umbrella Group**, highlighted the "critical" moment for keeping 1.5°C within reach and called on all countries, including "major emitters", to include in their NDCs ambitious emission reduction plans aligned with the goal and focused on economy-wide reductions. It said NDCs would "determine if we keep 1.5°C within reach" and that NDCs presented an opportunity to "send clear investment signal". On the NCQG, it said the "new goal must be multilayered", including public and private, domestic and international aspects. It further highlighted the need for a "broad set of contributors that reflect current set of realities and capabilities".

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Dialogue on just transition sets tone on broad scope

Bonn, 5 June (Hilary Kung) – "Just transition is not just about reducing carbon emissions; it is about building a future with social justice and environmental sustainability to go hand in hand … safeguarding biodiversity and ensuring prosperous planet for the generations to come," said Nabeel Munir (Pakistan) as Chair of the Subsidiary Body for Implementation (SBI) in his opening remarks at the "UAE Just Transition Work Programme" (JTWP) dialogue which convened on 2–3 June at the Bonn climate talks.

The SBI Chair's remarks set the tone for a discussion encompassing a broad scope of the JTWP, following the decision adopted in Dubai, UAE, last year. The first dialogue was opened by Munir and Harry Vreuls (Netherlands), who is Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA).

(The decision adopted at the 5th session of the Conference of the Parties to the Paris Agreement (CMA 5) in Dubai stated that there will be at least two dialogues held each year, with the first one before the 60th session of the Subsidiary Bodies in June 2024 and another one before the next session in November 2024, in a hybrid format.)

The dialogue, entitled "Just transition pathways to achieving the goals of the Paris Agreement (PA) through nationally determined contributions (NDCs), national adaptation plans (NAPs) and long-term low-emission development strategies (LT-LEDS)", envisioned the broad scope of the JTWP. (The scope of the JTWP had been a highly contentious issue in Dubai, with developing countries wanting the scope to be broad and cover all three pillars of sustainable development (social, economic and environmental), in the context of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), while developed countries preferred it to be narrower with focus on the workforce, primarily in relation to the energy transition and also on enhancing ambitious domestic climate actions.)

The dialogue was divided into two parts, with day 1 focusing on inclusive approaches, experience sharing in incorporating just transition pathways into the development of NDCs, NAPs and LT-LEDS and policy coherence for implementing just transition pathways; while day 2 focused on international cooperation on just transition pathways to the delivery of NDCs, NAPs and LT-LEDS goals in the format of breakout group discussions.

Iman Ustadi, Deputy Chief Negotiator of the COP 28 Presidency (UAE), underlined the broad scope of just transition in her opening remarks. She highlighted the need for a balanced consideration of developmental, social and economic priorities, in light of achieving mitigation and adaptation objectives in the pursuit of just transitions. "The just transition debate ultimately puts forward how to truly operationalise the concept of sustainable development, through climate action, so that it is in fact a driver of prosperity," said Ustadi. Elaborating further, she said, "A just and effective transition requires a more integrated approach grounded in principle that values people, enhances the capacity of developing countries, ensures necessary social participation, and commits to reducing hunger and poverty, as well as the protection of biodiversity."

Several Parties spoke at the dialogue. We capture below some highlights.

Highlights from some interventions

Ghana, on behalf of the **African Group**, raised concerns with the framing of the dialogue which could restrict participants to discussing only national plans and policies, which the Group disagreed with, adding that it saw the JTWP dialogue as the place to address finance and international cooperation issues. In its national capacity, Ghana also highlighted challenges around the reliance on oil revenue money for its education and stabilisation fund, and their relation to just transitions.

Malawi, on behalf of the **Least Developed Countries (LDCs)**, spoke about the need to focus on energy access and the importance of transitioning away from traditional biomass to clean cooking stoves. It also highlighted the need to bring in the informal sector, micro and small enterprises that were the engine of its economy, and on how they could be up-scaled as part of the value chain. Malawi also questioned the solution-oriented framing of the JTWP and suggested the need for a more holistic framing that brings in finance and capacity building together with other means of implementation in accordance with the PA.

Bolivia, for the **Like-Minded Developing Countries (LMDC)**, stressed the importance of interconnectedness, and that the issues of just transitions could not be solved at the domestic level. It further emphasised that developing NDCs, NAPs and LT-LEDS alone was not sufficient if developing countries could not implement them without the means of implementation from developed countries, hence the need to reflect equity and CBDR-RC.

Senegal shared its short experience with the Just Energy Transition Partnership (JETP) signed with the governments of France, Germany, the United Kingdom, Canada and the European Union (EU). In Senegal, only 75% of the population have access to electricity and at least 55% of them are in the rural areas. It said it was spending $1.5 billion each year to import petroleum products. While all aspects of sustainable development were relevant, Senegal said it focused specifically on energy access and food security. For Senegal, the JETP was important and the international partnership was ready to mobilise €2.5 billion in new and additional financing over the next five years. However, due to its plan to start producing gas in 2024 to provide energy access for poor people, it said it was difficult to find agreement on how much the loans and interest rates should be for the entire plan. This had caused some delay in finalising the investment plan from the JETP. Senegal also provided a concrete example on how it benefited from the Climate Technology Centre and Network (CTCN) to decarbonise its cement sector while the JETP investment was pending. It said its key need was technology to guarantee just transitions.

Egypt commented that the current discourse on just transition pathways seemed to focus more on formulation of new national policies instead of addressing the challenges and barriers faced by developing countries in implementing their NDCs. Further, it said developing countries were being asked to increase ambition but were not given guidance on how to implement their current NDCs. It also asked for the sharing of best-practice examples from developed countries with regard to international cooperation and the cross-border implications that these might have on developing countries, which may hinder just transitions in developing countries. It then explained that the just transition pathways were very different between developed and developing countries.

Commenting further, Egypt said, “We see a lot of focus from developed countries on the just transition in workforce, but we see it in a different perspective. [Just transition in the] workforce is very important but not the full picture. It should include the whole economy, from fossil fuel reliance to low-emission resilient economies, and also taking into consideration the formal and informal sectors….” Egypt also said that it approached just transition in a more comprehensive manner and beyond specific sectoral transition. It highlighted the need to consider national priorities in sustainable development from all aspects, adding that “developing countries are concerned with the approach that we have to follow a certain path; we consider that the pathways are quite different and have to reflect national circumstances and circumstances for each specific economy when going through the transition journey”.

Egypt viewed the JTWP as a good platform for developed countries to take the lead and provide support to make the transition happen in developing countries. Citing the comprehensive policy strategy presented by the EU under its Green Deal, and the challenges shared by Senegal, Egypt said developed and developing countries were not on the same level, hence the need for international cooperation. On international cooperation, it cautioned against portraying the private sector as a panacea to resolve all the problems. It said around 98% of adaptation finance had to come from public sources from developed to developing countries and only 2% was from the private sector. “Climate finance faces a lot of problems. This is not an opinion but is based on facts. Last year alone, in 2022–2023, [there was] $1.27 trillion [in] climate finance but [understanding the] instruments is essential; $561 billion were market rate debt and only $69 billion out of the $1.27 trillion were grant-based climate finance. That's the money needed by the countries that are already stressed with heavy debt burden," said Egypt.

Technology access was also a stumbling block. "We all respect intellectual property rights, but that's an issue we all have to contend with … [there may be a way] to get [compulsory] licences to certain technologies," said Egypt.

Commenting on the issues with the JETPs, Egypt shared its experience with its similar but much smaller and "homegrown" JETP to improve its NDC implementation with regard to renewable energy (RE) targets. It said while international partners attempted to help Egypt in good faith to move the RE plan forward, the foreign currency exchange rates changed and that made everything much more difficult. According to Egypt, there were practical issues with the numbers in JETPs. It all boiled down to the cost of the transition and countries already in dire economic situation and heavy debt burdens were finding it very difficult to shift their much-needed resources from social services, housing and healthcare to the transition. "Until we find a just and equitable manner to provide finance and technology to developing countries, we will be going at a much slower pace than what we are all aspiring for," said Egypt.

Angola highlighted its challenges as an oil exporter, especially when asked to increase ambition in the next NDC. It said transition was expensive and there were other priorities that were more pressing in the country such as health and education. Hence, there was a challenge in implementing its current NDC and also in formulating a more ambitious NDC.

South Africa said its approach to just transition was contextualised within a development landscape, which had both climate goals and development goals. It emphasised that these were not only nationally determined but also context-specific in line with the principle of CBDR-RC. It highlighted its specific development challenges to address poverty, inequality and unemployment. The level of ambition in South Africa's NDC was very much linked to international support in terms of finance, capacity building and technology transfers.

Speaking about its experience with the JETP, South Africa said there was a gap between what had been estimated and what was really required for the transition. There was still financing to be rallied to support the energy infrastructure, investment in building institutional capacity, diversification of the economy, education in skilling and reskilling and the future of the workforce. It underlined the importance of predictable and quality financial support and appropriate distribution of benefits.

Grenada highlighted that communities must not see additional burden from incorporating just transitions.

Saudi Arabia highlighted the need to address the global gap in the means of implementation provided for developing countries and the implications of unilateral measures.

The **United States** shared its view that transition was not just unless it was aligned to meeting the 1.5°C temperature goal. It said NDCs needed to follow the guidance from the global stocktake and economy-wide targets covering all the greenhouse gases. It was of the view that a whole-of-government approach was critical to implementing climate policy and also a key part of the domestic enabling environment to facilitate investment opportunities.

Many developed countries such as **Australia**, the **EU** and **Canada** shared their comprehensive just-transition-related policy initiatives and best practices during the dialogue. In particular, the EU shared its view that there was still a lot to do in aligning the financial flows to limit temperature rise to 1.5°C, as there were still a lot of investments going into fossil fuels. "If we take this investment [out], there is a lot of finance and global capital that can go into just transition in general," it said.

Two scene-setting presentations at the dialogue by Jim Skea (Chair of the Intergovernmental Panel on Climate Change (IPCC)) and Manal Shehabi (University of Oxford) emphasised the need to look at just transitions from a broader perspective. In particular, Skea highlighted that the scope of application of the term "just transition" had expanded. He said that at COP 24, just transition was discussed in the context of the consequences of exiting coal, and the application had moved "from coal to fossil fuels in general; from transitioning out of fossil fuels to transitioning into low-carbon forms of energy including renewable energy; from energy supply to energy demand, including energy access, from energy to land use and agriculture; from mitigation to resilience and adaptation, including the role of women…".

Shehabi highlighted that climate change had uneven impacts which were exacerbating existing vulnerabilities. At the same time, she said, "Parties' climate, energy and trade measures can have negative impacts on other Parties, developing countries being most impacted".

At the report-back session during the closing plenary, the various co-facilitators from the breakout groups of the dialogue emphasised the need to look at just transitions from a whole-of-economy approach, looking at not just the energy sector but also other sectors such as agriculture, tourism, transport and industry, given the magnitude of structural changes required for the transition. The role of international cooperation to address certain structural imbalances globally was also highlighted, with a need to pay attention to the role of global trade. Further, they said unilateral measures should be minimised while regional and multilateral cooperation needed to be strengthened. It was also reported that there were gaps and fragmented support in the provision of means of implementation to developing countries.

Following the dialogue, a contact group on the JTWP was convened on 4 June, which saw an exchange of views among countries on how the programme will be implemented in accordance with the mandate coming from Dubai. The joint contact group was co-chaired by Marianne Karlsen (Norway) and Kishan Kumarsingh (Trinidad and Tobago).

A draft text for further negotiations was released by the Co-Chairs late on 4 June night. Parties will meet again to deliberate on the draft text.

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Erosion of differentiation between developed and developing countries at COP 28

Bonn, 6 June (Eqram Mustaqeem) – In assessing the outcomes of COP 28 held in Dubai last year, delegates from developing countries pointed to the erosion of differentiation between developed and developing countries with similar mitigation goals being imposed on all Parties.

These views were expressed at a side-event organised on 3 June by the Plurinational State of Bolivia in collaboration with the Third World Network (TWN) on the sidelines of the 60th sessions of the UNFCCC's Subsidiary Bodies (SB 60) in Bonn.

The panel comprised distinguished veterans of the UNFCCC process, Diego Pacheco (Bolivia), Wael Aboulmagd (Egypt), Vicente Paolo Yu (Philippines) and Meena Raman (TWN). The theme of the event was on assessing the outcomes of COP 28.

The discussion kicked off with **Diego Pacheco**, who shared the Bolivian context of being a country that is mostly rural and inhabited by indigenous peoples who seek to live in harmony with Mother Earth. He opined that the UNFCCC was seen as being beneficial to addressing climate issues, along with the Paris Agreement (PA), despite the constant efforts by developed countries to bend the rules of the UNFCCC.

He said that at COP 26 in Glasgow in 2021, developed countries tried to create a different narrative, one that shifted the responsibility of addressing the climate crisis as an obligation of developed countries to the shoulders of developing countries, using the facade of keeping the 1.5°C temperature goal in reach, with the goal of net zero for all by 2050. This, he said, was the essence of the problem, as similar goals between developed and developing countries could not be allowed because it blocked the Global South's rights to development and to just and equitable carbon space.

Pacheco continued by stating that at COP 27 in Sharm el-Sheikh in 2022, the Egyptian Presidency of the conference tried to redress this narrative (of similar goals for all) by strongly emphasising the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) between developed and developing countries. However, the narrative resurfaced at COP 28 in Dubai with the outcome of the global stocktake (GST), especially paragraphs 33 and 34 on efforts towards halting and reversing deforestation and forest degradation by 2030 for all countries. This, he said, essentially forced countries where most emissions come from agriculture, forestry and other land use sectors, such as Bolivia, to achieve net zero by 2030 instead of 2050 – even faster than developed countries. This, he said, was against common sense, climate justice and the spirit of the PA.

In the spirit of confronting the narrative pushed by developed countries, Pacheco explained, Bolivia had proposed two new agenda items at SB 60: on "Developed countries' immediate and urgent action to achieve net-zero emissions latest by 2030 and net-negative emissions thereafter" and on a "Roadmap on financial support and means of implementation for alternative policy approaches to results-based payments such as joint mitigation and adaptation approaches for the integral and sustainable management of forests". The latter specifically would be essential for Bolivia to access financing if it is to halt and reverse deforestation by 2030. (However, these two agenda items were dropped from the provisional agendas as there was no consensus to include them, with the understanding that informal consultations on these items would be conducted by the Chairs, who would report back to the Parties regarding the progress made at the closing plenary.)

Wael Aboulmagd in his intervention stressed that there need not be winners and losers in the UNFCCC process but that the approach right now entailed more losses being incurred by one side, while one side reaped benefits from it. He continued by stating the positives of COP 28 and its outcomes, among them the adoption of the decision of the first GST and its finance part which confirmed that the new collective quantified goal (NCQG) should reflect the evolving needs of developing countries and the need to support current nationally determined contributions (NDCs); the establishment of the Loss and Damage Fund which had made strong progress after the intense civil society push to get it on the agenda at COP 27 the year before; and the adoption of the UAE Framework for Global Climate Resilience in relation to the global goal on adaptation (GGA).

Pivoting to the challenges at COP 28, he indicated that there was pushback from developed countries against differentiation between developed and developing countries, and COP 28 supported a gradual and incremental shift away from differentiation. Prior to the PA, historical responsibility was the foundational principle that all Parties worked upon in the UNFCCC. The PA relegated historical responsibility merely into CBDR, and since then, interpretations on how and where it applied had always been problematic. The push for ambitious, economy-wide NDCs aligned with the 1.5°C goal in the GST decision added further burdens on developing countries, whilst financial support was not forthcoming from developed countries, and this in itself was a sign of greater erosion of differentiation.

Aboulmagd said that most of the climate finance in developing countries, especially from the private sector, was spent largely on mitigation measures, with finance for adaptation being left behind and consequently having to be forked out by developing countries themselves, by reducing budgets for critical areas such as education, housing and healthcare. He ended his intervention by stating that the UNFCCC regime was a legally fragile one and thus it relied on the buy-in and goodwill of every Party. “Everyone has to genuinely believe that this is a regime that helps them and is not there to get them,” he emphasised.

Vicente Paolo Yu (the coordinator of the Group of 77 and China for the GST) said that developed countries had always been trying to reinterpret the UNFCCC and the PA to shift away from the fundamental basis of climate justice. They continued to push developing countries to show more ambition in mitigation without looking at what they themselves had done in the past and what they continued to do in the present, he said, pointing to the examples of the United States being the largest oil and gas producer and exporter, and Australia being the same for coal.

Yu continued by addressing three important GST-related agenda items. The first was the GST “annual dialogue” which was to provide Parties the opportunity to share what they were doing in preparing their NDCs and get themselves informed of the GST outcomes from last year as they prepared their new NDCs. It was only a dialogue and not expected to be a negotiation.

The second issue was the “UAE dialogue”, which was the dialogue on the finance section of the GST outcome (paragraph 97 of the decision) that was supposed to look at the implementation of the finance-related outcomes of the GST. It would be a dialogue that would look at how much money there was in the pipeline that could be used to help developing countries implement work arising from the GST outcome, thus linking implementation and support. Developed countries were however contesting this interpretation and instead wanted to use the dialogue to look at whether countries were in fact implementing different parts of the GST outcome, while not reflecting on the support side.

Said Yu further, the third part of the GST agenda was the refinement of the GST that was supposed to reflect the lessons learnt from the GST process in the past three years leading up to Dubai in the hopes of having a more robust process for GST-2.

He ended his intervention by saying that underneath all the technicalities lay one simple truth that many developing countries were pushing: the world is highly unequal as a consequence of colonisation and imperialism in developing countries, and this inequality needs to be addressed as part of the move towards creating a just and equitable future for all.

The last speaker, **Meena Raman** started by emphasising that climate negotiations were so difficult because it was not just the climate regime that was responsible for what was happening in the world. She cited the Colombian environment minister Susana Muhamad who had noted at COP 28 that when her country’s president announced a phaseout of fossil fuels, the peso instantly plunged the day after, making it more difficult to access finance from the capital markets and increasing the national debt burden. Therefore, addressing the climate crisis was not just an environmental matter but had to be seen as part of the much bigger challenge of the need for economic transformation.

Meena continued by saying that the UNFCCC regime had to acknowledge that there had been an overuse by the developed world of the carbon budget for a 1.5°C limit and that the remaining budget was on trend to be depleted. She noted that the Intergovernmental Panel on Climate Change had shown that the carbon budget to limit temperature rise to 1.5°C was only around 500 gigatonnes, and with current emissions, this would be exhausted in the next 10 years. The current targets of net zero by 2050 for all countries, with no net negative emissions for the developed world, and a fossil fuel transition that does not push for developed countries to do it now and rapidly, would make the transition very unjust and inequitable with severe ramifications for developing countries.

Meena explained that the GST outcome on global mitigation efforts referred to the transition away from fossil fuels in a "just, orderly and equitable" manner, but questioned how this could be done when Parties self-define what their mitigation efforts will be in a nationally determined manner. She stressed that the concept of "equitable access to atmospheric space" that was pushed by several developing countries even prior to the PA negotiations was opposed by developed countries, especially by the United States, which did not want any top-down aggregate set for emissions reductions.

Meena expressed concern over the carbon market explosion and the generation of dubious carbon credits and offsets as had been exposed by the media. Carbon offsets by developed countries allowed them to escape their responsibilities to reduce emissions and there should be no more room for offsets. Raman also voiced concern that the push for tripling renewable energy in the GST could come at the expense of developing countries, where much of the critical minerals for renewable energy products were extracted. She called for Northern civil society to call on their governments to include the phasing out of fossil fuels in their NDCs with a clear and fast timeline. For developing countries, phaseout was not as easy, as the transition had to be just, given their critical and legitimate concerns over sustainable development and poverty eradication. Therefore financial support was paramount and this was where the developed countries should play their role in the NCQG negotiations.

Meena ended her intervention by exposing that, instead of rapidly reducing emissions, some developed countries and companies were pushing dangerous geoengineering experiments in the Global South which must be stopped.

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Clash of views over scope of "UAE dialogue" on finance-related GST outcomes

Bonn, 7 June (Prerna Bomzan) – At informal consultations held on 5–6 June in Bonn, Parties clashed and expressed divergent views over the scope of the "UAE dialogue" referred to in paragraphs 97–98 of the global stocktake (GST) outcome adopted in Dubai last year.

While all developed countries and some developing countries viewed the UAE dialogue as a space for the implementation of the entire outcomes of the GST, a majority of developing countries clearly viewed it as a finance-focused dialogue, given its placement under the "Finance" heading of the decision.

(In the GST decision 1/CMA.5, paragraphs 97–98 are placed under the "Finance" heading of Section C on "Means of implementation and support". Paragraph 97 reads, "Decides to establish the xx dialogue on implementing the global stocktake outcomes". ("xx dialogue" was renamed "United Arab Emirates dialogue" in the edited version of the decision.)

(Paragraph 98 reads, "Also decides that the dialogue referred to in paragraph 97 above will be operationalized starting from the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and conclude at its tenth session (2028) and requests the Subsidiary Body for Implementation to develop the modalities for the work programme at its sixtieth session (June 2024) for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session".)

On 5 June, the co-facilitators of the informal consultations on the matter, Patrick Spicer (Canada) and Ricardo Marshall (Barbados), pointed out that the mandated task was on developing the modalities of the dialogue work programme at the ongoing 60th session of the Subsidiary Bodies (SB 60) and invited Parties to provide views on their "expectations" and "a clear outline on what to achieve at the session and beyond to provide meaningful inputs to the GST".

Brazil, for **Group SUR** (comprising **Argentina, Brazil, Paraguay and Uruguay**), clarified the "relationship" of the UAE dialogue with the annual GST dialogue (mentioned in paragraph 187 of the GST decision) as two tracks: paragraph 187 being on how the GST outcomes will inform the nationally determined contributions (NDCs) considering also the importance of "international cooperation" to do so, and paragraph 97 being under the "means of implementation (MOI) and support" of the GST decision for which modalities needed to be developed, "guided by MOI" enabling the implementation of actions and support for different Parties. It said that the UAE dialogue needed to be considered in this context and the two tracks would converge at some point in time.

(Paragraph 187 "[r]equests the Chairs of the subsidiary bodies to organize an annual global stocktake dialogue starting at their sixtieth sessions to facilitate the sharing of knowledge and good practices on how the outcomes of the global stocktake are informing the preparation of Parties' next nationally determined contributions in accordance with the relevant provisions of the Paris Agreement and also requests the secretariat to prepare a report for consideration at its subsequent session".)

Ghana, for the **African Group**, stated that there were important outcomes from Dubai and now there was a need to "focus on the means of implementation". It said that "developing countries are not short of ambition" given their NDCs and updated NDCs, both conditional and unconditional, and that the "focus must be on availability, predictability and adequacy of finance" to support current NDCs, national adaptation plans (NAPs) and targets from the GST decision. It also referred to the annual GST dialogue (in paragraph 187) and paragraph 186, saying that the relevant processes had started, hence there was a need to "avoid duplication" and "instead incentivise ambition and restore trust" in the process.

Saudi Arabia, for the **Like-Minded Developing Countries (LMDC)**, stated that the GST outcome was a result of "difficult negotiations" and the "location" of the dialogue could "validate" what was the intention of the pen-holder of the text. It said that implementation of the entire GST outcomes in one dialogue was a "strange notion". It further explained that countries would be producing enhanced NDCs which would require MOI, particularly finance. In terms of the timeline, the new collective quantified goal on finance (NCQG) would be concluded in Baku this year (at COP 29), and this UAE dialogue would commence following COP 29. Hence, it was a "perfect space for implementation of developed countries' obligations and pledges within the NCQG and it will be a core space to operationalise Article 4.5 of PA [on support for NDCs] and track the delivery of the NCQG within the dialogue on implementing the GST".

On modalities, Saudi Arabia said that any call to the secretariat for mapping of actions was not the scope or mandate of this dialogue under "Finance". On inputs, it said developed countries were to provide updates and announcements on their contributions to mobilise finance while developing countries were to outline the gaps and needs, highlighting reports from the Standing Committee on Finance (SCF). On outputs, there could be annual reports from the technical track and biennial reports of the ministerial dialogues, as well as synthesis reports for consideration at the next GST and NCQG decisions. Topical areas for reflection could include information in biennial communications under Article 9.5 in 2025 (for the ex-ante reporting by developed countries of public resources available); biennial transparency reports made available in 2028 and review of year one and year two of NCQG by early delivery of data in 2028 and report to the technical dialogues of GST-2. It underscored that the core element to understand was that the UAE dialogue was "not in solo or vacuum".

South Africa expressed concerns on the approach taken by developed countries and stressed that the text of the UAE dialogue, which needed to be read "contextually", was clearly about finance. It recalled that there was a long discussion (in Dubai) on the follow-up and a "broad follow-up was debated", and appealed for a constructive approach refraining from cherry-picking paragraph 28 of the decision (on the global efforts on mitigation including on transitioning away from fossil fuels). It underlined that it was important to have a focused dialogue on MOI particularly on finance, working towards a "Finance COP" in Baku. It said that paragraph 186 was clearly about the GST follow-up, while paragraphs 97–98 were about finance.

China stressed that the UAE dialogue should focus on finance, given the context of the mandate as an essential element which came from the "Finance" part of the GST outcome, and therefore, it certainly "focuses on finance and how to implement the finance-related outcomes of COP 28", focusing on how to fill the "gaps and challenges". It stressed on "avoiding redundancy" with other workstreams and dialogues.

Malawi, for the **Least Developed Countries (LDCs)**, said the first GST gave an opportunity to look at the gaps in achieving 1.5°C in mitigation, adaptation, loss and damage and MOI, so the dialogue would contribute to a deep discussion on how to address these gaps, including the link between the NCQG on climate finance and how to inform the NCQG. It stated the scope of the UAE dialogue was on the "whole landscape of the GST outcomes".

Maldives, for the **Alliance of Small Island States (AOSIS)**, stated that the GST outcomes would be in vain "if we don't ensure that all actions are followed through and maintained". It saw the UAE dialogue as a "robust follow-up mechanism" so that "all" GST outcomes were effectively implemented, as opposed to only one (on finance). It acknowledged that finance underpinned all actions and hence believed that the dialogue was to maintain an "overarching focus on covering all components" of the GST including MOI.

Switzerland, for the **Environmental Integrity Group (EIG)**, stated that the success of Dubai hinged on implementation and that the UAE dialogue would ensure a place to reflect on the implementation of the GST in its "entirety". It said it was important to track progress at the global level which included actions at the global level and resources available; sharing of country experiences and common challenges with possible inputs from international organisations; and institutional set-up to support the implementation of the GST as well as clarity on which constituted bodies and processes would support recommendations or calls from the GST. It also wanted a mandate for the secretariat to produce a report latest by 2025 to keep track of the overall progress made, and a mapping of which bodies were working on each call or recommendation of the GST ahead of COP 29 to inform further deliberations. On modalities, it said there was no need to "renegotiate" the objective of the dialogue, with its frequency being one dialogue each year possibly at the SBs and the output as a yearly "negotiated decision".

The **European Union** said that the UAE dialogue should "add value and show complementarity both within and outside of the UNFCCC process" and that it should contribute to the successful implementation of the GST outcomes ensuring collective progress towards achieving the "objectives of Article 2 of the PA in its entirety". It added that the dialogue was a "tool" to take stock of progress of aligning with the PA goals and that the aim was to look at both updating and enhancing "action" and support. On modalities, it said the dialogue should be a bridge between two GSTs, referring to paragraph 186 of the GST decision (which "[i]nvites the relevant work programmes and constituted bodies under or serving the Paris Agreement to integrate relevant outcomes of the first global stocktake in planning their future work, in line with their mandates"). It said SB 60 and CMA 6 should "operationalise" this invitation, including for the mitigation work programme, just transition work programme, global goal on adaptation work programme on indicators, and Lima work programme on gender, to "regularly report" to the UAE dialogue.

Norway said it looked at the UAE dialogue as a "comprehensive follow-up" on the GST outcomes across work under the PA and that it was an "ambition and action mechanism that sends signal to everyone within and outside our work to ramp up our actions and support". Further, it saw the annual dialogue as being informed by a "report" that summarises and gives an overview of what is happening to the GST mandate across tracks within and outside the process, and hence a "unique opportunity" to reflect on progress made towards "building the bridge" between the outcomes of Dubai and the next GST already starting in 2026. It underscored the need to ensure a space where results of one GST would inform the next GST, which was the "intention" of the GST process.

The **United States** fully agreed that MOI should be part of the UAE dialogue but noted that paragraph 97 said "GST outcomes", which was "across the board". It said that paragraph 187 was in the context of NDCs but had a "narrow focus" and therefore the UAE dialogue had the opportunity to focus on "all forward-looking" elements of the GST. It also said that the workstreams and constituted bodies should report on progress to date at each dialogue with "updated data" related to the calls from the GST outcomes. It stated that SB 60 should capture points made to operationalise the dialogue at CMA 6.

Japan said that the "proper scope" of the UAE dialogue was to implement "entire" GST outcomes and proposed to adopt the modalities at CMA 6 and convene the first dialogue at SB 62. The **United Kingdom** also said that the mandate from paragraph 97 meant consideration of "all outcomes" of the first GST.

With the list of speakers still pending on 5 June, the second informal consultations on the following day on 6 June saw them provide their views with interventions from additional Parties.

Highlights of interventions on 6 June

Colombia, for the **Independent Alliance of Latin America and the Caribbean** (**AILAC**), said that the purpose of the UAE dialogue was to follow up on the implementation of "all" GST outcomes in a "comprehensive" manner and not exclusively limited to how MOI were supporting actions with sufficiency and adequacy; currently there was no mechanism to track the implementation, so the dialogue was crucial to doing so. It said that discussing all outcomes was crucial and that "cherry-picking will undermine consensus". It did recognise the utmost importance of MOI but not the exclusive focus on it, recalling that the dialogue encompassed "all actionable paragraphs with reference to any calls and commitments". **Chile** echoed AILAC, stating that the added value of the dialogue was to enable Parties and non-Party stakeholders to track collective progress of GST outcomes.

Egypt clarified and elaborated further that the GST outcome was "clearly structured in the format with clear headings and sub-headings" on what was needed by the international community at the global level. It underlined that paragraph 97 was clearly placed under the "MOI and support" and "Finance" sections of the decision and that it was "intentionally" not placed under the last section on "Guidance and way forward".

It explained the differences between the dialogue on finance (paragraph 97) and the one on moving forward (paragraphs 186–187). Further, it said “there’s a huge gap for developing countries to implement their current NDCs. So, the logical and established reading of decisions clearly points to the fact that the dialogue is a finance-related dialogue, while there is the wider implementation of the GST outcomes under paras 186–187”.

It also cautioned against “renegotiating our approaches on how to structure the GST decision as it would open a Pandora’s box”. Egypt further clarified that discussions under the UAE dialogue would focus on “enhancing the implementation of GST elements by developing countries and empowering them” by focusing on the “gaps on scale of finance; the instruments used to provide support in terms of grants, loans and highly concessional loans; and also, on the issue of transparency on how much finance is being delivered as per the PA provisions and decisions particularly on Article 9 of the PA on climate finance”. It emphasised that throughout the GST decision and other decisions, it was very clear that there were huge gaps in terms of finance but no space to catalyse its delivery in supporting developing countries. It therefore reiterated that paragraphs 97–98 were about a finance-focused dialogue while paragraphs 186–187 pertained to the wider GST outcomes.

India pointed out that Article 14 of the PA (on GST) brought out the PA’s “five-year ambition cycle” and it clearly told how to implement the outcomes of the first and subsequent GSTs. It stated that paragraph 97 fell under the section on “MOI” and sub-section on “Finance”; the “placing of para 97 within the overall structure of the GST decision is good enough to suggest the scope of the UAE dialogue”, which, when read with provisions of Article 14, was to track the progress of finance which represented a critical enabling factor for low-carbon transitions. It called upon Parties to have “focused discussions on the structure and elements of the draft decision text” and emphasised that as “mandated” in the GST decision, “the dialogue’s modalities must look at the adequacy of finance required for incorporating the outcomes of the first GST into our climate action”.

The **Philippines**, for the **Group of 77 and China**, said that the “nationally determined implementation of the GST outcomes through countries’ NDCs, NAPs and other action is crucial. The dialogue under paras 97–98 should allow for discussions on implementation with provision of finance at the centre of implementation of such outcomes, recognising that other means of implementation are also crucial”. It also made a caveat that these views were “without prejudice to other statements or views that the Group or the various constituency groups within the Group may raise”.

Bolivia recalled that in Dubai, none of the Parties had any “reservation” on the UAE Consensus which adopted the GST decision and hence “we cannot question the results that we do not want and undermine the UAE Consensus”. Given this context, “we did not agree to put in place a mechanism or platform to track progress on the implementation of the GST outcomes and … what we agreed clearly highlights that this is a finance-related dialogue”. Highlighting the central role of finance for the implementation of the NDCs, it said the PA would be “undermined” if the dialogue did not track finance, which was the “success or failure of PA”, and cautioned that there should be “no additional scope or reopening of decisions”. It also cited paragraph 32 of the GST decision on “non-market approaches” and urged for moving forward finance in a “balanced” manner.

Venezuela emphasised that “developed countries must take the lead in mitigation actions and in providing financing and means of implementation to developing countries”. It said that “we should not reopen or reinterpret the elements” and that the UAE dialogue was “a finance-related dialogue”. **Iran** also said that the dialogue was a good space for achievement of the PA goals and did not agree on reopening or renegotiating paragraph 97.

Iraq, for the **Arab Group**, said that as mentioned by many developing countries, the scope was very clear that this was a finance dialogue given its contextual placement and its objectives, and that the Group saw the mandate of the dialogue as a “space to operationalise Article 4.5 of the PA”. It did not accept any calls to map various mandates and activities outside of the scope, stating “we have clear processes through the NDCs and the enhanced transparency framework on Parties’ progress and we do not support a continuation of the GST process and causing confusion and duplication, inconsistent with the mandate”.

The **LMDC**, **LDCs**, **Group SUR** and the **African Group** all came back with their second interventions restating and elaborating their positions.

Kenya, for the **African Group**, in particular stressed that given major gaps in finance clearly identified in the GST outcome and all other decisions from Glasgow onwards, “the ministers facilitating the finance section of the GST [outcome] and further the teams working on the final text under the UAE leadership, proposed the paragraphs that create the space for focusing discussions on financing the implementation of the GST elements, with a clear intention through placement and content on the goal and focus of this dialogue. The African Group highlights that any change or redefining the goal and the focus of this paragraph is clear deviation of the intention, the agreement, and the established rules and procedures, and opens the door for interpretations of future and previous decisions".

Saudi Arabia, for the **LMDC**, in response to calls for tracking the implementation of the GST outcomes, clarified that this would take place at the next GST (which is about an assessment of the collective progress of Parties in meeting the goals of the PA). It explained further that Parties would report their progress on their NDCs and NAPs implementation through the enhanced transparency framework (ETF), adding that the "[tracking of] progress mechanism is very clear" and there was no need for a new space.

Egypt also came back to rebut the developed countries' persistent positioning on broadening the scope of the UAE dialogue beyond finance, as well as on the "reinterpretation" of Article 14 of the PA on the GST, which was a "legally binding" document.

In closing, co-facilitator Spicer said that "as noticed in the debates, there are very different visions on what this dialogue will cover". "Let the past be in the past," he said, adding that Parties needed to "move forward to more of a shared vision".

On the way forward, he invited Parties to submit their views in writing by 9pm in order to capture them in an informal note under the authority of the co-facilitators to help organise the next discussion at the third informal consultations.

Annual dialogue under paragraph 187

Meanwhile, the annual GST dialogue under paragraph 187 was convened for the first time on 6 June in the afternoon and will continue on 7 June. It saw presentations by some Parties on how they are integrating GST-1 outcomes into the updating and preparation of NDCs.

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Attempts by developed countries to "bury" report on their poor performance in reducing emissions

Bonn, 10 June (Radhika Chatterjee) – According to the synthesis of biennial reports from Parties included in Annex I to the Convention by the UNFCCC secretariat, the information reveals startling facts that show that on the basis of existing measures, aggregate emissions of Annex I Parties are projected to increase by 0.5% between 2020 and 2030.

Further, the information also shows that, with existing measures, none of the Annex I Parties will achieve the 2030 targets set out in their NDCs.

Further, the report also reveals that the total aggregate greenhouse gas (GHG) emissions without land use, land-use change and forestry (LULUCF) for Annex I Parties taken together, decreased by only 17.3% by 2021 in relation to 1990 levels. A substantial part of this emission reduction was driven by EIT (Economies in Transition) Parties, and emissions without LULUCF of Annex I Parties that do not have economies in transition fell by only 7.4% in the same period.

The information also shows that total climate finance as reported averaged $51.6 billion annually in 2019–2020.

Developed countries are opposed to revealing this information in the conclusions of the Subsidiary Body for Implementation (SBI) on its agenda item 3 titled "Reporting from and review of Parties included in Annex I to the Convention".

Discussions under this item have been carried over from SB 59 that was held in Dubai at COP 28. At that time, Parties could "not conclude consideration of the matters", and the consideration is currently underway at the Bonn session. Given the reluctance of the developed countries in acknowledging these shortcomings openly, it is likely that SB 60 will also not be able to conclude a proper consideration of the matter.

Presided over by co-facilitators Tian Wang (China) and Toby Hedger (United States), three informal consultations have been conducted on the matter so far during the first week of the Bonn talks.

According to UNFCCC reporting guidelines as per decision 24/CP.19, each Annex I Party is required to provide its "annual GHG inventory covering emissions and removals of direct GHGs (carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3)) from five sectors (energy; industrial processes and product use; agriculture; land use, land-use change and forestry (LULUCF); and waste), and for all years from the base year (or period) to two years before the inventory is due".

There are three items that are being considered in this matter:

"Item 3a: Status of submission and review of national communications and biennial reports from Parties included in Annex I to the Convention;

"Item 3b: Compilations and syntheses of biennial reports from Parties included in Annex I to the Convention;

"Item 3c: Report on national greenhouse gas inventory data from Parties included in Annex I to the Convention."

(**Brazil**, on behalf of **South Africa, India, China and itself** (**BASIC**), had called in the opening plenary of SB 60 for the three items to be considered separately. See Update 2 for details.)

Discussions on this matter began with the draft text of SB 59 and were subsequently revised based on submissions received from the G77 and China.

Developed countries like the **US**, the **European Union**, **Australia**, **New Zealand**, **Canada**, the **United Kingdom**, **Norway** and **Japan** expressed a preference for only taking note of the report and refused to acknowledge its findings. Japan and the US said they preferred this because "the report was already there".

Developing countries displayed a united stand and insisted on acknowledging the findings of the report in the draft decision. Led by the G77 and China, all developing-country groupings like the **Arab Group**, **Alliance of Small Island States (AOSIS)**, **African Group**, **Alliance of Latin America and the Caribbean (AILAC)**, **Least Developed Countries (LDCs)** and **Like-Minded Developing Countries (LMDC)** said they would prefer to reflect the findings of the report in the SB decision. They provided the following language for item 3b, which is now incorporated in the draft text:

"1. The Subsidiary Body for Implementation (SBI) considered the compilation and synthesis prepared by the secretariat of fifth biennial reports of Parties included in Annex I to the Convention (Annex I Parties) and acknowledged that the report provides valuable information to Parties and the general public including lessons learned relevant to implementing the Convention.

"2. Recalls that in the years when the full national communications are submitted, developed country Parties should present the biennial reports as an annex to the national communications or as a separate report as per paragraph 15 of Decision 2/CP.17.

"3. Recalls paragraph 21(g) of Decision 2/CP.17 which requests the secretariat to prepare a compilation and synthesis report on the information reported by developed country Parties for consideration by the Conference of the Parties at COP, according to Article 7, paragraph 2(g), of the Convention, mandating to review the implementation of the Convention and make necessary recommendations.

"4. Welcomes with appreciation the report of the Secretariat on compilation and synthesis of fifth biennial reports of Parties included in Annex I to the Convention.

"5. Recognizes the importance of compilation and synthesis reports of the biennial reports to support better understanding and build trust on the implementation of the Convention.

"6. Notes that, according to the report referred to in paragraph 1 above, nearly all Annex I Parties met their quantified economy-wide emission reduction targets under the Convention for 2020.

"7. Notes that the total aggregate GHG emissions without LULUCF for Annex I Parties taken together, decreased by 17.3% by 2021 in relation to 1990 levels. Also notes that a substantial part of this emission reduction was driven by EIT (Economies in Transition) Parties and emissions without land use, land-use change and forestry of Annex I Parties that do not have economies in transition fell by 7.4% in the same period.

"8. Notes the information contained in paragraph 51 of the executive summary of the report, which states that total climate finance, as reported in the BR5s, averaged USD 51.6 billion annually in 2019–2020.

"9. Notes with concern paragraph 182 which concludes that no Annex I Party will achieve their 2030 target set out in their NDCs, with existing measures.

"10. Further notes that, on the basis of existing measures, aggregate emissions of Annex 1 Parties are projected to increase by 0.5% between 2020 and 2030.

"11. Invites Annex I Parties to submit additional information on how the outcomes of the compilation and synthesis report, have been considered towards the formulation of additional policy and measures under the Convention and its instruments before COP 29.

"12. The SBI called on developed country Parties (Annex II Parties) to scale up their financial support to non-Annex I countries across all channels in accordance with their obligations under Article 4 of the Convention.

"13. The SBI agreed to continue its consideration of this matter at its 61 session (November 2024) and provide guidance for consideration by the Conference of the Parties at COP, according to Article 7, paragraph 2(g), of the Convention." (Emphasis added.)

Due to the deadlock in the discussion, the co-facilitators suggested the addition of the following language towards a procedural decision on the matter for item 3b:

"The Subsidiary Body for Implementation (SBI) considered the compilation and synthesis prepared by the secretariat of fifth biennial reports of Parties included in Annex I to the Convention (Annex I Parties) and agreed to continue consideration of this agenda sub-item at the next session (SBI 61)."

The co-facilitators suggested the inclusion of similar language for all sub-sections under SBI agenda item 3. This suggestion was accepted by all developed country Parties.

Brazil, speaking for the **G77 and China**, said it agreed to the inclusion of the procedural text but also requested that the entire draft text be placed within brackets.

The latest version of the draft text is available here. A note by the secretariat on the status of the submission and review of national communications and biennial reports can be found here.

One more informal consultation on the matter is scheduled to be held in the second week of SB 60 to finalise the conclusions.

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Challenges in advancing work under the mitigation work programme

Bonn, 10 June (Radhika Chatterjee) – Discussions in Bonn on the "Sharm el-Sheikh mitigation ambition and implementation work programme" (referred to commonly as the "mitigation work programme", MWP) have revealed challenges in advancing further work, due to strong divergences over what the content of the outcome should be, in view of the existing mandate of the MWP, and concerns over the changing of the mandate in view of the outcomes of the global stocktake (GST) decision adopted in Dubai last year.

(The MWP decision 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 nationally determined nature of nationally determined contributions (NDCs) and will not impose new targets or goals". Work on the MWP is supposed to continue till 2026 before the adoption of a decision on further extension of the work.)

Informal consultations which began on 4 June and continued on 6 and 8 June are presided over by co-facilitators Kay Harrison (New Zealand) and Carlos Fuller (Belize). The co-facilitators invited Parties to share their views on substantive elements they would like addressed under the MWP and its outcomes. Divergences among the Parties became clear.

The key issues of divergence that came to the fore included: whether the MWP decision text should include any high-level political messages; whether there should be any linkage between the MWP and the GST decision from Dubai; whether the MWP should be a vehicle for implementation of the mitigation section of the GST outcome; and the relationship between the MWP and the NDCs, especially in light of all Parties needing to communicate their next NDCs by February 2025 (for the 2031–2035 period).

Several developing countries including the **Like-Minded Developing Countries (LMDC)**, the **African Group** and the **Arab Group** stressed that the MWP should not be used to impose any targets on countries, as the objective of the programme was to facilitate dialogues and exchange views to provide an opportunity for Parties to share experiences and learn from each other.

They said that the focus of the MWP should rather be on improving the global dialogues which are mitigation-related and the investment-focused events to ensure Parties are able to make the most out of the global dialogues conducted under the programme. They added that the exchange of information was a very useful exercise for them as it helped their experts learn about different country experiences. They said the purpose of the MWP was to inform the current implementation of mitigation actions and not future NDCs. They further argued that any kind of imposition of new mitigation targets on developing countries through the inclusion of key messages would result in going beyond the mandate of the MWP and add a burden on developing countries.

(The global dialogues this year under the MWP will focus on the topic "Cities: buildings and urban systems". A three-day event was held in Bonn on 27–29 May, prior to the SB 60 session, and a report is to be prepared by the Co-Chairs later in the year.)

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

(Paragraph 186 of the GST outcome document states: "Invites the relevant work programmes and constituted bodies under or serving the Paris Agreement to integrate relevant outcomes of the first global stocktake in planning their future work, in line with their mandates". Paragraph 28 relates to global mitigation efforts including that of "transitioning away from fossil fuels".)

At the end of the third informal consultation on 8 June, there was general agreement among Parties to continue the discussions on "improvement of future global dialogues and the investment-focused events (IFEs)", based on a proposal advanced by the co-facilitators. However, some Parties stressed that they also wanted to continue discussions on linkages between the MWP and the GST. The next informal consultation under the MWP is scheduled for 10 June.

Highlights of key interventions

China, speaking for the **LMDC**, shared its views on the global dialogues, saying that the process was very valuable. Calling it a "learning by doing" process, it said "we have achieved a lot of experience. In the future we will achieve more outcomes and gain a lot from it". It added that the decision adopted in Dubai under the MWP set a good example that could be followed for the next couple of years. It stressed the need for respecting the mandate of the MWP and shared its reluctance to challenge the current mandate, saying "we do not require a new mandate under this process".

On the issue of how to consider key findings of the dialogues, it said the "global dialogues provide a good platform for exchanging views on substantive elements" and that they were "very informative".

On the relationship between the MWP and NDCs, China said that in its understanding "the MWP is not to inform the next round of NDCs, but is to inform our current mitigation action implementation. These could be inputs to the second GST, but cannot be a follow up of activities of the first GST".

In its intervention on the second day of the informal consultations, China said it was important "to achieve consensus on how to move forward". On the issue of sharing a draft decision document, it said "it is premature to shape a draft decision" as the third global dialogue (on "Cities: buildings and urban systems") had only concluded less than a week ago. Countries were still discussing "how to optimise it" and "how to make good use of it". Sharing its understanding of what the decision at COP 29 could look like, it said "last year we achieved a very good outcome", one in which key findings of the report on the global dialogues were taken note of. On the issue of linking the GST and the MWP as per paragraph 186 of the GST outcome document, it said the document "does not mean that it should undermine all other existing mandates … we have to continue our work instead of calling for a new MWP. That is our understanding of MWP and GST". It urged countries to "strictly stick to" the existing MWP mandate.

Developing countries including **Egypt**, **India**, **Pakistan**, the **Philippines**, **Qatar** and **Bolivia** echoed the sentiments of the LMDC.

Bolivia said the MWP had "a clear mandate and scope" and that it was "not productive to reopen discussions" on this at each SB session. It expressed opposition "to reopen or expand the scope of MWP, if the rationale behind this is to find a way to allow developed countries to shift their responsibilities in taking the lead in addressing their mitigation and moving it to developing countries".

In its intervention during the third informal consultation, Bolivia said it was very respectful of the decision adopted in Egypt, and explained that this was why it had requested to include an agenda item for this SB session on developed countries' immediate and urgent achievement of net zero by 2030 and net negative thereafter and did not bring that issue to the MWP, adding that the MWP was not about imposing sectoral targets. It noted that developed countries were opposed to its agenda proposal and there was no consensus.

On the issue of including key messages in the decision document, it said "picking and choosing key messages as key political messages is not the way forward. There are different national circumstances. It is very difficult to highlight key messages to foster enhancement of mitigation". It suggested that instead "we can introduce enhancements to how we are dealing with the dialogues and investment-focused events".

Zimbabwe, for the **African Group**, said "we hope that the session will really have a good reflection on how MWP dialogues and the investment forum can be effectively used for information exchange and also that they are non-prescriptive, facilitative and non-punitive". Appreciating the recently concluded third global dialogue, it also shared some concerns regarding the process. While a decision had been made in COP 28 to communicate the topic for the next session in a timely manner "so that we could find time to attend", it pointed out this was not done in the case of the third global dialogue, due to which participation was low and "there was underrepresentation from Africa". It called for "more planning" to make the dialogues more inclusive. It also highlighted the need for accelerating the scale of international cooperation, which it said was an important enabler for increased mitigation in Africa.

On the issue of the MWP and NDCs, it said it would continue to look forward to the reports from the dialogues and the investment-focused events to further work on "how the MWP can continue to enhance ambition and support in unlocking investments in shaping NDCs". On the issue of identification of key messages, it said, "considering the dialogues were largely a monologue, it would be hard to draw out key messages".

Sharing its views on the way forward, it said it "will be happy to continue exchange of views this session and also have a procedural conclusion as we don't have the report of the global dialogue and investment-focused event as yet".

South Africa underlined the need to preserve and respect the MWP mandate in decision 4/CMA.4 and cautioned against reopening and renegotiating the decision, adding that "we have always looked for a practical and implementable MWP" through a "focused exchange of ideas" as agreed in Sharm el-Sheikh. It stressed that there was a need to organise the global dialogues and IFEs "in a more efficient and effective manner to promote both participation and representation of more developing countries". On the issue of highlighting key messages, it said countries in the African region were "unfortunately overburdened" and the introduction of "new commitment targets" would add to that burden. It also said that "having a draft decision now is premature since the global dialogue just concluded. We need to have a fourth global dialogue and receive the summary … they are the main inputs at COP 29". It further added that "we can use last year's decision as a blueprint to potentially identify [the] structure [of the decision]".

Brazil, speaking for **Group SUR** (**Argentina, Paraguay, Uruguay and itself**), said the "MWP as a space should be considered for sharing of knowledge, best practices, solutions … to mitigate climate change". It added, "Greenhouse gas reduction requires immense technology, which is cheap for some, but too costly for others." Stressing on the need "to build trust", it said "we must not try to export solutions … should not impose burdens on those most vulnerable and least responsible".

Speaking for itself, **Brazil** said the MWP was a crucial space that could also help "in supporting the follow up of the GST". It said the GST had to "inform national policies … and NDCs. We believe this space can provide an opportunity to share what their constraints are in terms of national capacities". Expressing its willingness to engage "in a substantive discussion" in the MWP, it said "Brazil has a climate neutrality target of 2050. It would be nice to hear from those developed countries who have targets earlier what their opportunities are". It also wanted to hear from those developed countries whose target for achieving net zero was later than that of Brazil, as to why that was the case. Speaking in the context of mitigation implementation, it said it would also like to talk about the "extent" to which "recent trade measures" could help in implementing climate neutrality.

Saudi Arabia, for the **Arab Group**, said "we believe the MWP is indeed delivering on its mandate and making progress". Highlighting some elements of improvement for the dialogue, it said there was a "need for inclusive and wider participation from the developing world; announcing and providing the agenda early (better logistical arrangements); issues with the IFE and the need for inclusive finance providers that cater to wide array of needs; more transparency and clarity on the selection of subtopics for the MWP dialogues; the need to minimise the number of parallel breakouts to allow Parties to benefit from different countries". It added that the "MWP has showed that the ambition is there, it does exist in our developing world, but it also highlighted the challenges and barriers that come in the way. Namely, the finance that is needed from the developed world".

It also emphasised that the global dialogue did not conclude with any key findings or recommendations. "We want to reiterate that is not even the purpose of the global dialogue. The purpose is to have useful exchanges and sharing of country experience." Elaborating further, it said "we are not going to engage in a follow up global dialogue in this session, especially not when the dialogue just took place a few days ago. The annual report will … be made available for us to utilise in our national context. Not to pick and choose especially without the presence of our experts who engaged in the dialogue".

Sharing its views on the purpose of the annual report, it said the report "is designed to serve as a valuable resource for countries to use in a manner they deem fit and it is not to be politicised. The report needs to be examined as a whole, countries can access a wide range of information that contributes to their knowledge base and they benefit from exposure to diverse viewpoints, which can enhance their understanding of complex issues from different angles, providing deeper understanding of the broader context, enabling them to make more informed decisions and formulate appropriate strategies".

On the invitation from paragraph 186 of decision 1/CMA.5 and the calls to integrate elements of the GST with the MWP, it said the invitation from the GST did have a caveat in the phrase "in line with their [the respective work programmes'] mandates". Saudi Arabia said "we cannot drop our work and what we have at hand and take up something completely new". On the idea of using the MWP as an implementing vehicle of the GST, it said "the GST outcomes are considered by Parties and if something is applicable to national circumstances, and that makes sense with national circumstances, equity and common but differentiated responsibilities, then it can be used to inform the preparation of NDCs, domestically in a bottom-up manner".

Samoa, for **AOSIS**, reflected on its experience of the third global dialogue and said AOSIS members were not able to participate in the dialogue due to the short notice provided and asked for better logistical planning. It said the limited participation in the third global dialogue was "an example this MWP is not delivering to our objectives", which were about "scaling up mitigation ambition and implementation".

It said there was a need for the MWP to do much more and "unlock transformational change across sectors" through "many other initiatives". It added that the MWP should have "a role that takes advantage of UNFCCC convening power rather than get bogged down with details". It was not in favour of "overly restrictive interpretations" of the work programme mandate and said "we cannot agree on interpretations of mandate that seek to deny link to GST outcome. Paragraph 186 of GST decision is clear: to invite relevant work programmes to integrate with GST". Stressing its disappointment with the current way in which the MWP was progressing, it said countries "cannot afford to have any mandate take valuable time if it is not delivering".

It said the MWP "needs to be a breeding ground for 1.5°C-aligned mitigation actions". It also said the MWP decision should be framed based on the GST document. It added that "key findings on actionable solutions from the third global dialogue that can contribute to mitigation elements of GST decision, especially paragraph 28", should be identified. It said there was a need for headline mitigation messages that were drawn from the GST outcome and 1.5°C-aligned. It also stressed these should inform the NDCs which were due to be updated next year.

Chile, for the **Independent Alliance of Latin American and the Caribbean (AILAC)**, said it found the discussions in the global dialogues to have been "relevant and useful". It pointed to the need for improving regional representation and gender representation among experts in the dialogues. It said "the main objective of the MWP is to identify and make progress in terms of calls for scaling up action on mitigation implementation in this critical decade". It said there was a need to move beyond procedural issues and "focus on substantive elements" and that there was a new decision from the GST and "under this new MWP we need to align our calls and messages to those outcomes of GST".

Switzerland, for the **Environmental Integrity Group (EIG)**, hoped the MWP would deliver on its mandate of scaling up mitigation ambition. It said the MWP was "one of the rare" spaces that countries had at their disposal to respond to the emergency of climate change. It said it wanted to use the SB session to define the elements it would like to see in this year's decision at COP 29 in Baku. In the context of upgrading NDCs, it recalled the commitment to mitigation action and the need for maintaining the 1.5°C objective of the Paris Agreement. There was a need to respond to paragraph 186 of the GST decision by integrating relevant outcomes with the MWP.

It requested for an update on the mitigation elements of GST work under the MWP, to help achieve these elements at the global level.

The **European Union** said it was "disappointed" with the MWP decision at COP 28 and that "more needs to be done in delivering the MWP" and "contribute to transformational change in all sectors". Pointing out that there was only one agenda item on mitigation, it outlined a few broad categories that could be a part of the MWP decision at COP 29, which included "general messages on mitigation on where we stand and where we need to go; to respond to invitation to integrate relevant work programmes according to para 186 of GST; and consider key findings, opportunities, barriers that emerged from the global dialogue".

On the issue of linking the GST and the MWP, it said "it is important to reestablish trust in this process and how we can build something together … And how we follow up on GST outcomes can be done by 2030". It said "we see there is quite some divergence but the process is advancing. Outcomes of GST are being taken forward in several work programmes". It stressed the need to be "coherent" and for "a constructive way forward and arriving at an ambitious decision that delivers MWP".

The **United States** said "we hope we can redouble our efforts this year for driving action forward. We are in a new context this year after the GST". Acknowledging that there were "various views and interpretations of mandates", it expressed hope for finding "common ground".

Sharing its views on the global dialogue and the link between the MWP and NDCs, it said it was "important for us to use in this session, inter-sessionally, and COP 29 to develop some best practices that are able to bridge what we agreed at the GST in Dubai to what we will be doing at home in development of our NDCs with the 1.5°C objective in our minds". It also reflected on the need for better logistical arrangements for organising the dialogue especially in light of the short notice that was given and that made travel difficult for its delegates. Regarding the substance of the dialogues, it said it felt the dialogues were missing "a link to policy context of what brings us to the Paris Agreement – how to devolve the issues to NDCs". On the issue of linking the MWP and the GST, it said a "follow-up" from the GST outcomes "will also be an appropriate way forward".

Supporting the proposal of asking the co-facilitators to share a draft text, the US said the substantive sections of the text could include "overarching mitigation messages that reflect on the urgency of action" and report on progress made. This section would be a "discussion focused on the GST" and highlight "what was agreed in Dubai, how relevant the findings from the MWP are rolled into that, guidance to the MWP on how to take up topics in the future". As an example, it said topics for the dialogue could be taken from the GST outcome reinforcing the interrelationships between the MWP and the GST. Another section could include discussions that "speak to the global dialogues, IFEs to come up with ideas that should be highlighted and brought forward". It also said "there should be a decision to give weight to policies at national, domestic and international level" and that "this could be done without prescription". It also said the draft text could include a section "on new NDCs" and how that work could be linked to the MWP.

Canada said it "was disappointed in what was expressed as a procedural outcome in COP 28". It added "we need to use this work programme to advance our collective actions in mitigation in this decade. We are not looking to impose targets. We are looking to opportunities for information exchange, learning" and "profiling real actionable solutions". It said it viewed the MWP as a "key vehicle" for following up on GST outcomes and supported the suggestion of "coming together for a framework for a decision to be considered at the next CMA".

Australia said "while there have been useful exchanges it is hard to see how [the MWP] is living up to its potential, how it is delivering on scaling up mitigation ambition and delivering GST". It said it was "important that we work towards delivering on GST outcomes. All existing work programmes have a role in taking forward GST outcomes as per paragraph 186 of the GST decision". It added that "important outcomes" had been "agreed across all pillars of the Paris Agreement in the GST document".

Sharing its views on what the MWP decision should look like in COP 29, Australia said it should include "substance on mitigation. SB 60 could be used to prepare elements of a draft structure decision with general mitigation messages, key dialogues … follow up of GST" and a "clear linkage between different topics and sectors". It said these suggestions were not an attempt to "impose" and "prescribe", rather "this is about signalling".

Supporting the idea of the co-facilitators coming up with a draft text with options and no option text, it asked for the inclusion of a summary of key messages of the global dialogue including on opportunities and barriers. Highlighting its views on the process elements of the decision, it said "we would support the organisation of regional dialogues to make these relevant to different regions" after hearing that "clearly from AOSIS and LDCs". It also asked for virtual dialogues, especially with experts "to follow up" on the global dialogues. These could focus on capacity building and technology transfer and "would be a good way forward to bring consistency in the dialogue".

Asking for urgently scaled-up mitigation ambition, **Norway** said the MWP "should follow up on the GST decision" and that "it can help in implementation of mitigation elements of the GST. There are many ways in which the MWP can help in making the GST come alive".

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Co-facilitators of NCQG work programme provide input paper for consideration

Bonn, 10 June (Indrajit Bose) – The second meeting under the ad hoc work programme (AHWP) on the new collective quantified goal on climate finance (NCQG) convened in multiple slots over 5, 6 and 8 June in Bonn.

In the meeting convened on 5–6 June, Parties responded to a 63-page input paper prepared by Co-Chairs Zaheer Fakir (South Africa) and Fiona Gilbert (Australia) and provided suggestions on streamlining it. Following the meeting, the Co-Chairs updated their input paper and streamlined it into 45 pages. In the meeting convened on 8 June, Parties provided further suggestions on streamlining the input paper.

(At COP 28/CMA 5, Parties decided to transition into a mode of work to enable them to engage in developing the "substantive framework for a draft negotiating text" on the NCQG for consideration by CMA 6 in November later this year. The first meeting under the AHWP was convened in a hybrid format in Cartagena, Colombia, on 25–26 April. See https://twn.my/title2/climate/info.service/2024/cc240501.htm.)

Divergences between developing and developed countries continue to be pronounced on key political issues that have dominated the NCQG negotiations, the most prominent being the push by developed countries on who would contribute to the goal (expanding the donor base) and who would receive the finance (limiting the recipients of finance).

Developing countries are maintaining that the provision and mobilisation of the NCQG is a legal obligation of developed countries under the Paris Agreement (PA) and that all developing countries are eligible to receive climate finance. There has also been a big push by developing countries to establish an ambitious quantum and for developed countries to declare what numbers they are willing to put on the table. Developed countries, however, have not mentioned any numbers.

During the discussions, alongside giving the Co-Chairs the mandate to streamline the input paper, **Argentina** for the **G77 and China** conveyed that the NCQG was a process under the Convention and its PA. The PA was adopted under the Convention and attempts must not be made to detach them, said Argentina.

It also said the NCQG and its features must be in accordance with Article 9 of the PA and the principles and provisions of the Convention. "This means the goal must be delivered by developed countries to developing countries based on equity and the principle of common but differentiated responsibilities (CBDR)," said Argentina. The NCQG must be based on the priorities and needs of developing countries and support country-driven strategies, with a focus on nationally determined contributions (NDCs) and national adaptation plans (NAPs), it said, and consider needs expressed in adaptation communications and long-term low greenhouse gas emission development strategies along with other national plans. The goal must include loss-and-damage response alongside mitigation and adaptation, at minimum, to address developing countries' evolving needs as outlined in paragraph 26 of decision 8/CMA.5, and it should recognise the importance of just transitions that promote sustainable development and eradication of poverty for developing countries, added Argentina.

It also called for the full operationalisation of Articles 9.4 and 9.9 of the PA, including in relation to scaled-up provision of financial resources, balancing adaptation and mitigation finance, delivering public and grant-based resources specially for adaptation and loss and damage, concessionality, centrality of country-driven strategies, and the priority and needs of developing countries, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, in particular Small Island Developing States (SIDS) and Least Developed Countries (LDCs).

On transparency arrangements, Argentina said these must be related to a definition "in the sense that we need to agree on what to count and what not to count as climate finance". Loans at market rate and private finance flows at market rate of return could not be termed as climate finance under the NCQG, it said; "rather, they represent a reverse flow from developing to developed countries if we consider the repayments. Under the NCQG, we must agree on the following: climate finance is about flows from developed to developing countries in concessional terms; it cannot include loans at the market rate, and private finance flows at the market rate of return, overseas development assistance (ODA), and non-climate-specific finance flows".

The NCQG must not impose additional conditionalities on the provision and/or mobilisation of climate finance to developing countries. On the contrary, it must provide access features that operationalise the requirement on access channels to ensure efficient and swift access to, and enhance the coordination and delivery of, climate finance for developing countries, said Argentina.

The NCQG must be delivered via the provision of public finance in a grant-based or concessional manner to address macroeconomic constraints of developing countries, including limited fiscal space, and the elements of the goal should take into consideration the need for support to be a net economic benefit for developing countries. It must also exclude any feature relating to domestic resources of developing countries, it said.

It also said that the NCQG should provide a clear agreement on burden sharing among developed countries to establish their "fair share" of their collective obligation to provide climate finance, which allows predictability, transparency and accountability. The NCQG must address "dis-enablers" of climate finance such as the high cost of capital, high transaction costs associated with access, and unilateral measures such as carbon border adjustment mechanism (CBAM), added Argentina.

"The Convention and its agreement prescribe CBDR and respective capabilities (CBDR-RC), and we have not agreed to change it, and for sure, this is not the platform to change it. Based on CBDR-RC, countries with different levels of responsibilities and differing national circumstances can have differentiated regulatory and governance systems. Any attempt to equalise the regulatory regimes jeopardises the existing consensus of the UNFCCC regime. Any calls for changes in the regulatory systems, which are under the jurisdiction of the sovereign governments, are uncalled for and should be avoided. We are here to decide the NCQG, which reflects a mandate for the developed countries to deliver support for developing countries in line with Article 9, and we must stick to this mandate," said Argentina.

During the discussions on 8 June, some Parties called for some paragraphs of the updated input paper to be deleted, while others said no substantive options should be removed.

Some Parties also expressed the need to delve into substantive discussions. Co-Chair Fakir informed Parties that the discussions planned on 10–11 June would delve into substantive issues and a further updated version of the input paper would be made available "prior to 10 June". The proposed way ahead until the third AHWP meeting would be conveyed to Parties on 11 June.

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Developed countries oppose work plan on just transition work programme

Bonn, 11 June (Hilary Kung) – At the ongoing climate talks under the UNFCCC's Subsidiary Bodies (SBs) in Bonn, the negotiations on the just transition work programme (JTWP) feel like déjà vu, with developed countries continuing to attempt to limit the JTWP, this time blocking a proposal from developing countries to guide the implementation of the programme through a work plan.

The JTWP was established in Sharm el-Sheikh, Egypt, in 2022 for discussion of pathways to achieving the goals of the Paris Agreement (PA). In Dubai last year, Parties finally agreed on the elements of the work programme, following stark divergences between developed and developing countries. (See Update 1 and paragraph 2 of decision 3/CMA.5.) The Dubai decision also stated that the SBs shall guide the implementation of the work programme through a joint contact group, to be convened starting at SB 60 in Bonn, with a view to recommending a draft decision on this matter for consideration and adoption in Baku later this year. It also decided that at least two dialogues shall be held each year as part of the work programme, with one before SB 60 (June 2024), which took place on 2–3 June (see Update 3), and the other prior to the start of SB 61 in Baku.

The joint contact group, which started on 4 June, was co-facilitated by Marianne Karlsen (Norway) and Kishan Kumarsingh (Trinidad and Tobago), who released a new draft text for discussions in the early morning of 10 June.

In the joint contact group on 10 June, **Egypt**, on behalf of the **G77 and China**, proposed to add consideration of "a work plan" in addition to a draft decision. This proposal was supported by others including **Kenya** for the **African Group**, **Bolivia** for the **Like-Minded Developing Countries (LMDC)**, **China** and **Burkina Faso**.

The work plan proposal initially came from the **G77 and China** when Parties reacted to the first draft text released by the co-facilitators late on 4 June night. The Group was of the view that the text was not a good basis for further negotiations as most of the views from developing countries were not captured and the text was more preambular and lacked operative language. Therefore, the Group suggested developing a work plan that would cover the period until 2026 and that could enhance the linkages between the dialogues and the negotiations.

The **African Group** called for the work plan to be reflected in both the draft SB conclusions and also the draft decision text for consideration and adoption in Baku. It also registered its concern that its conference room paper (CRP) had not been fully integrated into the draft decision text and called on the co-facilitators to do so. It said, "The placeholder doesn't give us confidence that our input will be considered." (There is a "[Placeholder on the workplan for the work programme]" in the draft decision text. It was understood that the African Group had drafted a decision text together with a work plan for 2024, specifying the activities, timeline and output that they intend to carry out under each of the elements as per paragraph 2 of decision 3/CMA.5.)

The G77 and China's proposal was rejected by developed countries, including the **United States**, **Canada**, the **European Union**, **Japan** and the **United Kingdom**.

The **US** said it did not support negotiating a new work plan.

Canada commented that it was a "premature idea at this point" and suggested the creation of a work plan during the review process to take place in 2026 instead, citing the reason that "the JTWP is at its infancy stage".

Said Canada further, "It is important to allow for flexibility and opportunity to dive into some issues that are important … [with] new views, … new perspectives … best available science that emerges in this time span [through the dialogues] … to really develop this work programme rather than limit to what we will be discussing in the next two years." It also said that having the work plan would "block the participatory and iterative nature of the JTWP". In the previous session, Canada said it preferred not to renegotiate the decision from Dubai and called for utilising existing modalities including the dialogue and high-level ministerial roundtable to effectively implement the work programme.

This sentiment was echoed by the **EU**, which said that "discussing a work plan will delay the JTWP and prevent inclusiveness of non-Party stakeholders". The **UK** said it was surprised to see the work plan proposal as it did not recall this proposal last year. **Japan** said it "cannot support it" and **Australia** wanted to know what a work plan would do before agreeing.

China explained that the work plan was necessary to implement the work programme in a more systematic manner for the next 2–3 years. Reacting to Canada's remark that the work plan proposal would block the participatory nature of the JTWP, China said the development of a work plan was a Party-driven process and "we are not excluding others … NGOs are not excluded, non-Party stakeholders could contribute to the workplan, to make the workplan more inclusive and efficient".

Responding to Canada's argument that the work plan proposal was premature, **Egypt**, for the **G77 and China**, said, "It's true that the work programme in its infancy stage … we came here and engaged in the first dialogue with high hopes and high expectation for a concrete outcome, but unfortunately, it is business as usual. If we keep it in its infancy stage for so long till the review process, we may not be able to stand up and walk."

On trade-related unilateral measures to combat climate change with cross-border impacts, a highly contentious issue in past negotiations (see https://www.twn.my/title2/climate/news/Dubai01/TWN%20update%2019.pdf), the first draft text included a paragraph 14 which read: "Further recalls paragraph 154 of decision 1/CMA.5 recognizing that Parties should cooperate on promoting a supportive and open international economic system aimed at achieving sustainable economic growth and development in all countries and thus enabling them to better address the problems of climate change, noting that measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade." This paragraph was retained in the latest version of the draft, which is still subject to further negotiations.

The issue of unilateral trade measures has been consistently brought up by **Brazil**, on behalf of **Group SUR (Argentina, Brazil, Paraguay and Uruguay)**, **Venezuela**, **Saudi Arabia**, **Cuba** and **Bolivia** for the **LMDC**. Venezuela highlighted the need to look into unilateral trade measures and that just transitions would be enabled only if there was a fair distribution of the carbon budget, and delivery of finance, technology transfer and capacity building.

The **US** was opposed to any discussion on trade-related climate measures in this forum, saying that this was a matter for the World Trade Organisation (WTO), and wanted to delete paragraph 14. It also said there was no definition of "unilateral measures" and that the nationally determined contributions (NDCs) under the Paris Agreement were unilateral by nature too.

China in response said, "The UNFCCC is the right platform to deal with trade-related climate measures … Article 3.5 of the Convention and also the global stocktake decision [from Dubai] in paragraph 154 also related to unilateral measures and so we need to elaborate further on this. The JTWP is the right forum dealing with this issue."

(Article 3.5 of the Convention establishes that "Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade". Paragraph 154 of the GST decision reads: "Recognizes that Parties should cooperate on promoting a supportive and open international economic system aimed at achieving sustainable economic growth and development in all countries and thus enabling them to better address the problems of climate change, noting that measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.")

Kenya, for the **African Group**, underlined the importance of having a broad framing on how countries transition towards meeting the goals of the PA, recognising the challenges that countries faced within and outside the UNFCCC and that the UNFCCC was a multilateral space.

During the joint contact group discussions on 4 June, the **EU**, the **US**, the **UK**, **Australia** and **Switzerland** for the **Environmental Integrity Group (EIG)** called for the JTWP to serve as a follow-up to the GST, specifically on paragraphs 28(h), 42 and 140 to increase ambition in the next NDCs, citing paragraph 186 of the GST decision that "Invites the relevant work programmes and constituted bodies under or serving the Paris Agreement to integrate relevant outcomes of the first global stocktake in planning their future work, in line with their mandates".

(In the GST decision, paragraph 28(h) refers to "Phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible". Paragraph 42 "Urges Parties that have not yet done so … to communicate or revise … their long-term low greenhouse gas emission development strategies … towards just transitions to net zero emissions by or around mid-century, taking into account different national circumstances". Paragraph 140 notes that "just transition of the workforce and the creation of decent work and quality jobs, and economic diversification are key to maximizing the positive and minimizing the negative impacts of response measures and that strategies related to just transition and economic diversification should be implemented taking into account different national circumstances and contexts".)

Many developing countries responded by saying just transitions should not be mitigation-centric, recalling the wider scope of the work programme which was agreed to in the Dubai decision last year.

Egypt, for the **G77 and China**, reiterated its "common understanding that just transition pathways are of unique nature, reflecting each country's circumstances and capabilities, while focusing on sustainable development and poverty eradication as their overriding priorities in the expectation of creating a more inclusive, just, equitable, sustainable and climate-resilient world. The inclusive transitions approach agreed to [in Dubai] represents an evolution in the international community's collective understanding of just transitions. We have moved past mitigation-centric, policy-prescriptive and silo-sector approaches, towards a holistic and integrated approach that respects diverse national circumstances and capacities, where each country has an inalienable right to development and to pursue its own development pathways towards shared objectives".

Elaborating further, the G77 and China stated, "We are finding that, as developing countries confronting multiple challenges, we cannot achieve such grand ambition and realignment of our economies and societies on our own. We need to also advance adaptation efforts, acknowledging interconnected global issues such as food security, livelihoods and economic diversification. We, therefore, aim that the operationalisation of the work programme underscores the importance of finance, technology development and transfer and capacity-building support to developing countries to achieve just and equitable transitions, nationally and globally."

Many Parties also expressed concerns over the lack of a written summary report from the dialogue to inform the negotiations. **Canada** and the **US** proposed to have an informal report after each dialogue to have something in writing. The 10 June session saw Parties including the **G77 and China** calling for the draft SB conclusions to be specific that there will be an informal summary report following each dialogue under the JTWP.

With regard to the second dialogue, the **G77 and China** proposed that the SB Chairs, when deciding the topic of the dialogue, also undertake consultations with Parties besides taking into account submissions. **Brazil**, for **Group SUR**, called for a more Party-driven process for Parties to be more involved in the topic selection and the format of the dialogue.

Developed countries questioned the practicality and rationality of adding the language "in consultation with Parties" as it may restrict the participation of non-Party stakeholders, and said that the SB Chairs already had clear guidance from Dubai on the topic selection.

Egypt, for the **G77 and China**, recommended adding language in the draft conclusions that encourages more participation from developing countries, including non-Party stakeholders, in the second dialogue. The **US** however preferred to stick to the current text as "specifying 'developing countries' feels like limiting it to developing countries; while it may not be the intent, the proposal sounds like that". **Japan** was also opposed to such a proposal, saying the decision did not contain a distinction between developed and developing countries.

Developed countries highlighted the budgetary implications of the proposals and requested information about the budget for every element or activity proposed in the draft text. In response, **Qatar**, for the **Arab Group**, said that matters on the budgetary information should take place in the "budget room". (Discussions on the UNFCCC secretariat budget are taking place under a separate agenda item.)

Developed countries also called for deleting paragraph 6 of the draft conclusion, which referred to "holding the second dialogue under the work programme intersessionally". The **US** said it did not support an intersessional dialogue, citing the reason that "we already have one dialogue prior to SB and intersessional dialogue is less inclusive".

Parties were encouraged to meet in informal-informal setting to work on bridging proposals after the contact group on 10 June adjourned. The contact group will continue discussions on 11 June.

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Opposition to means of implementation and CBDR on adaptation

Bonn, 12 June (Eqram Mustaqeem) – Ever since the start of the ongoing climate talks under the 60th session of the UNFCCC's Subsidiary Bodies (SB 60) in Bonn, developed countries have made a concerted effort to block references to means of implementation (MOI) and the principle of common but differentiated responsibilities (CBDR) in informal consultations across two adaptation-related agenda items, viz., the global goal on adaptation (GGA) and national adaptation plans (NAPs).

Despite the ever-pressing need for adaptation support, especially on finance across the developing world, developed countries have made references to such support their "red line" in the negotiations, preferring to emphasise only private sector finance instead of much-needed public finance.

Another major point of contention is over how the indicators for the targets adopted in Dubai last year for the GGA will be developed, which is a critical task for Parties at SB 60. Developing countries want an expert-led process while developed countries want the Adaptation Committee (AC) to play a greater role.

Global goal on adaptation

The GGA entails the development of indicators under the two-year UAE-Belem work programme (UBWP) for measuring progress achieved towards the thematic and dimensional targets adopted by decision 2/CMA.5 under the "UAE Framework for Global Climate Resilience" (UFGCR) at the 5th meeting of the Conference of the Parties to the Paris Agreement (CMA 5). The adoption of this GGA framework had been a huge win for developing countries after a tough fight. (See https://twn.my/title2/climate/news/Dubai01/TWN%20update%2025.pdf.) 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.

At the start of the GGA negotiations on 3 June, the co-facilitators, Pedro Pedroso (Cuba) and Tina Kobilsek (Slovenia), called on Parties to discuss modalities for the UBWP on the development of indicators related to the GGA targets, and deliberate on general issues under the scope of the UFGCR.

However, from the outset of the negotiations, there was clear divergence between the developed and developing countries especially over references to MOI, CBDR and the role of the AC in developing the indicators.

Uganda, for the **G77 and China**, emphasised the urgency of the work and the importance of building upon the principle of CBDR in developing the indicators.

Saudi Arabia, for the **Arab Group**, pointed out the critical role of finance, technology transfer and capacity building in implementing the UFGCR, while calling on developed countries to deliver on their obligations as per the articles of the Paris Agreement on the means of implementation, as these were essential for developing countries to achieve their adaptation goals and targets.

Botswana, for the **African Group**, referred to the 2023 Adaptation Gap Report highlighting the growing adaptation finance needs and faltering flows, with the current adaptation finance gap now estimated at $366 billion per year, and said that current adaptation finance flows did not meet the needs of developing countries, Africa in particular. It also referred to the global stocktake (GST) outcome from Dubai last year which highlighted the increasing adaptation finance gap and the need to finance adaptation. It added that the GGA presented a critical opportunity to address the growing adaptation finance gap in developing countries, referring to Article 4.4 of the Convention and Article 9.1 of the PA as being clear on the obligations of developed countries to meet the adaptation costs and needs of developing countries.

China, for the **Like-Minded Developing Countries (LMDC)**, underscored the importance of MOI and differentiation between developing and developed countries consistent with the CBDR principle, as being the crucial basis for the development of indicators. Ignoring the overarching need for MOI as emphasised in the UFGCR would not be in the spirit of how the indicators should be developed.

Sudan, for the **Least Developed Countries (LDCs)**, stressed that it was vital to consider MOI in the development of the indicators to better understand the gaps and needs of developing countries, especially when taking into account the special circumstances of LDCs and Small Island Developing States (SIDS).

Developed countries, on the other hand, called for references to MOI and CBDR to be removed and also raised budgetary concerns over the modalities proposed by developing countries.

The **United States** stressed that any modality proposed must be conscious of the budgetary context of the UNFCCC and emphasised that it did not see the relevance of support and MOI in the discussion on indicators, and did not want the bifurcation of indicators between developed and developing countries.

Japan, echoing the US, stated bluntly that it opposed the development of indicators on MOI and also stressed on the need to be conscious of the budgetary constraints of the UNFCCC.

The issue of budgetary concerns was also highlighted by both **Canada** and **Norway**.

Role of the Adaptation Committee

On the role of the AC, differences were evident from the start of the negotiations.

On 8 June, when Parties were proposing modalities for the development of indicators for the GGA targets, **Uganda**, for the **G77 and China**, stated that, while recognising the work undertaken by the AC in relation to the GGA, it must be limited to the scope that had been outlined accordingly in the decision of the UFGCR. Further, it also emphasised that while the AC had done very important work on adaptation and could have added value and provide great contribution to the indicator development process, there must be no reference to the AC leading the work on developing the indicators.

The same view was echoed by **Samoa** for the **Alliance of Small Island States (AOSIS)**, which was concerned that there had been no adequate assurance from the developed countries that wanted the AC to lead the work, that the work would be “transparent and not political”. It further stressed that the AC was made up of negotiators and even if they delegated work to experts, it would have to be decided amongst themselves how to do so, and this would mean handing the decision on the way forward from this large group of negotiators to a small group of negotiators. Samoa was concerned that it would be political rather than being an expert-driven process.

Colombia, on behalf of the **Independent Alliance of Latin America and the Caribbean (AILAC)**, stressed that while it was important to consider the engagement of the AC, it was also important to allow for experts to contribute to the indicator development process. Hence, it would only allow the AC to participate but not lead the process. It also stressed that it was key for developing countries to have access to MOI for them to implement the adaptation thematic targets outlined in the UNFGCR, and that this had to be outlined in the text.

Sudan, for the **LDCs**, was of the same view that the AC should only play a supporting role in the development of the indicators consistent with its existing mandates and the scope of work provided in the UFGCR.

Brazil, for **Group SUR (Argentina, Brazil, Paraguay and Uruguay)**, emphasised the need for strong language on MOI from developed to developing countries, and acknowledged the work of the AC but did not see it leading the work programme but rather just supporting in the mapping of indicators.

Saudi Arabia, for the **Arab Group**, shared that while the AC’s contribution was much appreciated, the AC must stick to and deliver on its mandates as outlined in the UFGCR. It said that it was understood from previous AC meetings that there were still many budgetary issues in the AC when it came to conducting work from the existing mandate.

The **European Union** stated its strong preference for the AC to take the lead and was against any structure of experts engaged in developing the indicators as it would duplicate the modalities of the AC while not providing a way forward.

The **United Kingdom** preferred the AC to lead the work on the development of indicators, given its role as a technical body on adaptation.

The **US** said the AC operated as a constituted body that had an incredibly transparent process, and had both the ability and resources in terms of its modalities to play the lead role in the mapping of indicators. **Canada** agreed with the US.

Co-facilitator Pedroso reminded Parties that the UFGCR had emphasised the importance of MOI and support from developed to developing countries and that it would be very unlikely for Parties to develop the indicators for the GGA if they did not address the issue of MOI.

In the informal consultations on 11 June, after Parties had gone through three-hour informal-informal consultations the day before, **Samoa** for **AOSIS** reported back that there were still differences on how the mapping (of work) and compilation should be done. It said that while there was no consensus on the role of the AC, most Parties agreed that it should not take the lead in developing the indicators and many Parties echoed the need for expert work and for Party inputs into the development of indicators.

With Parties still not being able to agree on the modality for the UAE-Belem work programme as SB 60 approaches its end on 13 June, **Uganda**, for the **G77 and China**, proposed a way forward by mandating the co-facilitators to work on a new text taking into account the conclusions that the group would like to see as a minimum. It said that the AC should not take the lead in indicator development work and should instead only be a contributor. It also advocated the provision of MOI for the implementation of the GGA and its relevant work, and balanced regional representation in the development of indicators. It also said that there must be global indicators but it should not be a basis of comparison between Parties. It called for an immediate launch of the technical work after SB 60 to allow for review of the mapping criteria, identifying gaps and the development of new indicators and, lastly, the provision of support and resources for the effective engagement of experts with an emphasis on regional balance.

Botswana for the **African Group**, **Saudi Arabia** for the **Arab Group**, **China** for the **LMDC**, **Brazil** for **Group SUR**, **Samoa** for **AOSIS** and **Sudan** for the **LDCs**, in their interventions, all aligned themselves with the minimum elements expressed by **Uganda**, particularly on the need for MOI, the role of the AC, the need to launch work immediately after SB 60 and support for experts to attend workshops to maintain a regional balance.

However, the **US** proposed a completely different way forward as it wanted to have a representative group of Parties coming together to draft text with minimum elements, instead of mandating it to the co-facilitators.

This suggestion was supported by **Australia**, **Canada**, the **UK** and the **EU**. Australia's remark that "common sense does not exist in the room" – in relation to the G77 and China's suggestion for minimum elements of Parties to be drafted as a text by the co-facilitators – was called out by **Botswana** for the **African Group** as being disrespectful, distasteful and undiplomatic and the kind of language that should not be used in such a setting.

The **US**, in expressing its minimum elements, stated that it was willing to compromise on the leading role of the AC if Parties could specify the AC's role in the mapping of indicators. It could not accept any language on MOI for indicators, nor any structure for an expert group. Neither could it accept a text that references the Convention or any elements of CBDR because this was a CMA-mandated process, and it expected the modalities and the conclusions to be aligned with the existing budget of the UNFCCC secretariat.

National adaptation plans

Since the start of the informal consultations on 4 June, developing countries have been sharing their challenges in developing their NAPs, chief amongst them being the lack of financial resources, resulting in only 56 developing countries having NAPs as of 2024.

Fiji, on behalf of the **G77 and China**, emphasised that it was important for developing countries to be fully supported in the formulation, implementation, monitoring and evaluation of their NAPs and the key to this was finance.

Brazil for **Group SUR**, **China** for the **LMDC** and **Kuwait** for the **Arab Group** all made interventions doubling down on the need for MOI in the form of technological transfer, capacity building and finance for the development of NAPs.

China, for the **LMDC**, particularly stressed on how the multiple steps and long process time that it took to apply for support from the Global Environment Facility (GEF) were a hindrance for developing countries in accessing support for their

NAPs. It recommended that the process be made easier for developing countries.

Uzbekistan stated that aside from lack of MOI and implementation support for developing countries in the NAPs, there was also a big issue over the quality of the NAPs being developed in developing countries once they got the support needed, as the financing conditions would require the involvement of international organisations and their foreign consultants. From experience, most of the money for their NAPs was spent on foreign consultants, who were not familiar with the local context and hence were not able to properly develop an NAP that encompasses the needs of the country. It called for a review of the financial support architecture for NAPs that would be able to deliver support for country-specific and tangible NAP formulation.

The developed countries in the first session did not confront the issue of NAP financing and support but rather chose to elaborate on suggested elements that could make NAPs better.

In the following session on 5 June, the **US** emphasised that the NAP process could be a tool for unlocking and mobilising finance from all sources, especially the private sector, for adaptation and implementation. It added that it would like to see a linkage between the NAP process and other relevant issues including the UFGCR.

Canada had the same view on finance mobilisation, stating that beyond public support and finance, meeting the scale of adaptation needs would require effective mobilising of all available sources at both national and international levels, with all sectors of society contributing.

The **European Union** concurred by stressing the need for strong linkages between the NAPs and the UFGCR as well as the GST. The EU also wanted to recognise the specific importance of the private sector in mobilising adaptation finance and to focus on creating enabling environments for successful adaptation and implementation action under the NAPs.

Japan emphasised the role of the private sector in contributing to adaptation measures in areas for them to be included in the larger NAP development and implementation process.

During the consultations on 10 June where the first draft text for discussion was published by the co-facilitators, the developing countries were opposed to the inclusion of private sector finance in the text.

Fiji, for the **G77 and China**, expressed concern with the text that made specific references to the private sector.

Kuwait, for the **Arab Group**, pointed out that the text still missed references to developing countries' demand that developed countries deliver on their adaptation commitments, which it said was mentioned multiple times but was not adequately reflected.

China, for the **LMDC**, noted that in terms of resource mobilisation, there was no differentiation between developed and developing countries explicitly mentioned in the text, which was not in the spirit of the UNFCCC and the PA. It also called for no linkages to be made between the NAPs and the GGA as it would prejudge negotiations in the GGA room.

Panama for **AILAC**, **Brazil** for **Group SUR**, **Ghana** for the **African Group**, **India**, **Pakistan** and **Saudi Arabia** all echoed similar views on rejecting the inclusion of the private sector in NAP finance mobilisation.

With one day remaining before the SBs close, negotiations have reached a frenzied speed to see if the wide-ranging divergences across adaptation-related matters will be bridged.

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Foundation laid for tough fights at COP 29

Bonn, 17 June (Radhika Chatterjee and Meena Raman) – The closing plenary of the 60th meeting of the UNFCCC's subsidiary bodies (SB 60) in Bonn began late evening of 13 June and concluded early morning of 14 June, setting the stage for very tough negotiations which will take place in Baku, Azerbaijan, in November later this year, mainly over issues of finance and mitigation.

Although the intersessional meetings advanced work on some agenda items with conclusions adopted, several of these had draft texts containing very divergent views reflecting a lack of consensus among Parties, which will be negotiated further, where decisions are expected to be taken at COP 29 and CMA 6 (the 6th session of the Conference of the Parties to the Paris Agreement) in Baku. On some agenda items such as the mitigation work programme (MWP), Parties could not agree on how to advance further work, necessitating further consideration at Baku. (See further details below.)

The Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA) Harry Vreuls (Netherlands) and Chair of the Subsidiary Body for Implementation (SBI) Nabeel Munir (Pakistan) conducted the session jointly. Various conclusions under the respective bodies were adopted, followed by closing statements from groups of Parties sharing their reflections on the work done in Bonn.

On matters relating to the "UAE dialogue on implementing the global stocktake (GST) outcomes", referred to in paragraph 97 of decision 1/CMA.5 (SBI agenda item 5), the SBI "took note of the informal note prepared by the co-facilitators", noting that the informal note "does not represent consensus among Parties, and agreed to continue consideration of this matter, taking into account the informal note, at SBI 61" (to be held in November 2024), with a view to CMA 6 concluding consideration of the matter. (Parties are divided over the interpretation of paragraph 97, as to whether it relates to a dialogue on matters related to only the finance outcomes of the GST or all the GST outcomes. Developed countries insist on the latter, while many developing countries take the former position.)

On matters relating to the global goal on adaptation (GGA), Parties agreed to request the Chairs and the secretariat to prepare "a compilation and mapping of existing indicators relevant to measuring progress towards the [GGA's] targets" in paragraphs 9–10 of decision 2/CMA.5, "including information on areas potentially not covered by existing indicators". The SB Chairs were requested "to convene technical experts to assist in the technical work…, including [in] reviewing and refining the compilation and mapping of existing indicators … and, as needed, developing new indicators for measuring progress achieved towards the targets".

On the just transition work programme (JTWP), Parties agreed to advance work through the organisation of its second dialogue as mandated in paragraph 5 of decision 3/CMA.5. Towards this end, there was provision for the submission of topics and views ahead of the second dialogue from Parties and others.

On the "Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security" (an agenda item which did not see any progress in the past 15 months), Parties were able to move forward by deciding on the workshop topics to be held, and also requested the secretariat to operationalise and develop the online portal for this work.

For those agenda items on which Parties could not achieve consensus, matters were transmitted for consideration to SB 61 (to be held in November) under Rule 16 of the UNFCCC's draft Rules of Procedure, which 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…".

Among these items were the "Sharm-el-Sheikh mitigation ambition and implementation programme" (MWP) and matters relating to the Adaptation Fund. On the SBI agenda item on "Reporting from and review of Parties included in Annex I to the Convention", Parties were only able to adopt procedural conclusions where they decided to continue further consideration of the matters at the next SB session.

The second meeting under the ad hoc work programme (AHWP) of the new collective quantified goal on climate finance (NCQG) was also convened in Bonn in conjunction with the SBs. It saw discussions on an input paper prepared by the Co-Chairs of the programme to enable a framework for a draft negotiating text. Divergences between developing and developed countries continued to be pronounced on key political issues that have dominated the negotiations, the most prominent being the push by developed countries on who would contribute to the goal (expanding the donor base) and who would receive the finance (limiting the recipients of finance). There have also been strong calls by developing countries to establish an ambitious quantum, with developed countries unwilling to indicate any number in this regard.

Highlights of closing plenary statements

Uganda, speaking for the **G77 and China**, stressed that "the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), in 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 that "the nationally determined contributions (NDCs) are at the core of the Paris Agreement (PA)", and expected that "Parties will present ambitious commitments in the new NDC cycle, in light of their different national circumstances".

It said the NCQG was of "maximum priority" for the G77 and China and "must be delivered in Baku". "We cannot go beyond COP 29 without defining the NCQG," it said, adding that it "must be in accordance with the principles and provisions of the Convention and the PA", which meant "the goal must be delivered by developed countries to developing countries based on the principles of equity and CBDR". It was "to assist developing countries to implement their NDCs and national adaptation plans (NAPs)" and "must be delivered via the provision of public finance in a grants-based or concessional manner to address macroeconomic constraints of developing countries". On the quantum, Uganda said "it is one of the most consequential elements of the goal and it must be based on developing countries' priorities and evolving needs, including [for] loss and damage responses".

Uganda also welcomed the conclusions on the GGA, NAPs and other adaptation items, adding that "under the GGA", the Group "recognises the need to implement the UAE Resilience Framework and the ensuring of the UAE-Belem work programme on indicators".

On the enhanced transparency framework (ETF) and "the deployment of tools designed to enhance transparency", it said the Group had a "unified position on the need for more support for developing countries. Developed countries, however, have been resisting to provide proper financial and technical support. The conclusions reached … on the tools have been subjected to the availability of resources, which shows the low commitment of Annex I countries in fulfilling their obligations".

On the JTWP, Uganda said "a broad understanding of just transitions … covers all three pillars of sustainable development (social, economic, and environmental) in a balanced and integrated manner, in both its international and national dimensions". It was encouraged to leave the negotiations with a process to enhance and strengthen future dialogues and conclusions.

It also welcomed the decisions and conclusions adopted on various agenda items including: the terms of reference for the Warsaw International Mechanism for Loss and Damage, Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security, matters relating to the implementation of the technology mechanism, matters relating to the Local Communities and Indigenous Peoples Platform, matters relating to Article 6 of the PA, capacity building, and gender and climate change.

Kenya, for the **African Group**, said that "our engagements on the GGA are driven by reality … the work on indicators on the GGA are central to a balanced implementation of the PA, where we have clear dimensions against which to measure collective progress towards the goal". However, it added, this "is not possible without the further articulation of finance indicators for each dimension in accordance of paragraphs 9 and 10 of the UAE Framework".

Referring to the UAE dialogue of the GST outcome document of COP 28, it said attempts were being made to interpret the item beyond matters of finance. It also expressed concerns regarding the direction of the talks on the NCQG, saying that "our partners" were trying to "rid themselves" from their obligations of providing finance under the Convention and the PA. "The focus seems to be on distractions such as broadening the contributor base and narrowing the recipient base. We wish to emphasise the main outcome should address quantum of finance, instruments, timeframe and transparency. The linkages between expected ambition for developing countries and the level of ambition in the new goal is central," stressed Kenya. Highlighting the special circumstances of African countries, it said problems of the "cost of finance, debt burden, stranded assets [and] constrained fiscal space" should be taken into account, and reiterated the "importance of tackling the issue of debt and to consider debt sustainability measures as crucial aspects of finance discussions".

On the MWP, it said "we see a pursuit of goals and target setting for developing countries, while this is a facilitative process that is non-punitive and representative of national determinations. As such, the MWP should not pronounce targets and goals". It also described the need for ensuring energy security and access to clean cooking energy as areas that should be top priorities of the MWP.

On just transitions, it said "our work clearly has to address the fairness of transitions associated with Article 2 pathways among countries, and cannot be limited to national aspects of the transition". Highlighting the findings of the 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), it said the report "clearly states that transition in Africa is in pursuit of human development index of at least 0.5 whilst maintaining emissions below 5 tonnes per capita, despite having some emission headroom".

It expressed disappointment about "the move to change the mandate of 'response measures' into a place of showcasing best practices and a health co-benefits forum instead of a cooperation to address the negative impacts of the measures on developing countries. This multilateral platform is not only for learning from each other but is primarily for addressing the negative impacts". Further, it reiterated the "need for addressing impacts of mitigation policies on developing countries in this work programme".

Bolivia, for the **Like-Minded Developing Countries** (**LMDC**), said that on some agenda items, the processes had been co-facilitators-driven (rather than Party-driven), non-transparent and not inclusive. "We struggled with making progress on these issues," it said, reiterating that "the process must be driven by Parties" and be "transparent and inclusive". It urged the COP 29 Presidency to "choose facilitators who meaningfully facilitate the process and ensure balance, rather than drive Parties further apart". Expressing concern about "the lack of balance" in the process, it said "we have spent hours and hours on some issues, while on others this has not been the case". "We are worried that our partners were trying to advance informal notes that did not faithfully capture all Parties' views," it said, asking, "How can such imbalanced texts be the basis for any negotiations in the future? Such issues must be avoided at all costs."

It also highlighted concerns about developed countries' attempts to block proposals on MOI issues and references to equity and CBDR-RC. It said it failed to understand this resistance to referring to the bedrock principles of climate action and that "this does not send a signal of progress nor of negotiating in good faith".

It also stated that "efficiency [in the process] is at stake because: Our partners do not respect the mandates that they have also signed on to; … [and] are constantly trying to change mandates and not honouring their legal obligations; …are squarely focused on mitigation and ignoring that developing countries need the means to implement climate action; and are trying to open issues that are already agreed to".

It also stressed that "there is no conversation to be had on expanding the donor base or limiting the recipient base. We had this discussion when we were negotiating the PA. The matter is settled. It is nothing but a waste of time to repeatedly raise issues that have already been agreed to".

It said further that "on the one hand, we have heard that we should be in a continuous process of assessing progress, even though the first GST has concluded and we need to ensure that all GST-related activities also conclude this year. On the other hand, we have seen our partners try to bury reports that project that Annex I Parties' emissions will increase in 2030 compared to 2020". This, it said, "is shocking in fact, especially since we hear them champion [the need to limit temperature rise to] 1.5°C. Developed countries should be reducing their emissions urgently and ambitiously, not increase emissions. They have overused the carbon space and cannot continue to anymore. This hypocrisy must end. We in the LMDC value real action and not empty words". Calling COP 29 a "finance COP", it also said developed countries must talk about the quantum of the NCQG.

Brazil, for itself, **South Africa, India and China (BASIC)**, expressed concern at "the lack of progress on the debates of the NCQG, including the lack of concrete proposals for the quantum of the goal. It's shocking that developed countries have reported under the Convention only $6.8 billion disbursed … of the $100 billion they were legally expected to deliver annually. These are official figures from their 5th Biennial Reports". It added that "what we have seen instead is an attempt to dilute their climate finance legal obligations under international law through suggestions of broadening the contributor base". Said Brazil further, "Fulfilling gaps around definition of climate finance is key for transparency and accountability of support provided by developed countries. The NCQG must be delivered at COP 29 on a solid and effective basis. It must contemplate a necessary quantum based on provision of public finance to developing countries in a grants-based or concessional manner, incorporating qualitative elements on improved access and fiscal sustainability."

It said "it is critical that COP 29 approves a decision that advances in concrete results and enhances the UAE JTWP in a more balanced manner, with a focus on sustainable development and eradication of poverty".

On Article 6 of the PA (on cooperative approaches including market and non-market approaches), Brazil said, "We have been able to finally confirm that emissions avoidance will not be eligible for the purposes of Article 6." It added that "we are confident that, with the adequate political will, the remaining obstacles can be overcome, and we will be able to take a decisive step towards cooperative approaches that are transparent, consistent and effectively contribute to reducing greenhouse gas (GHG) emissions, particularly in developing countries".

On the GGA, it said "we were able to begin the technical work related to the UAE-Belem work programme on indicators, to be finalised by COP 30 in Brazil. Adaptation is not an option for developing countries; it is a necessity".

On the MWP, it expressed disappointment that some Parties attempted to reopen the mandate, and urged "Parties to build a safe environment based on trust to make progress in this agenda item". It said it "would welcome signals by developed countries on how they intend to anticipate their climate neutrality targets at least by 2040", and also asked for an explanation on "how recent unilateral measures against developing countries' sustainable development may in any way benefit fighting climate change".

It also expressed concern at "repeated attempts by some developed countries during this session to imply new interpretations of the PA and to undermine the Convention", adding that equity and the principle of CBDR-RC, in the light of different national circumstances, were the foundations of the international climate regime.

Malawi, for the **Least Developed Countries (LDCs)**, said the full implementation of the GST outcomes, with regular follow-ups on progress, would be critical following the historic decisions made in Dubai, and looked forward to the UAE dialogue on implementing the GST outcomes across the thematic areas. On climate finance and the NCQG, it was concerned about the little progress made and called for continued work on "setting an ambitious finance goal, based on the needs of developing countries and evidence from science". On the GGA, it said the results achieved in Bonn "provide a clear path forward for the development of indicators. However, we must address the significant challenges we face in accessing finance resources and dealing with long timelines in order to address urgent adaptation needs".

Samoa, for the **Alliance of Small Island States (AOSIS)**, said that finance was "the high-profile issue for the year" and that it cut across all the thematic areas, whether technology, just transition, transparency, GST, mitigation, adaptation or loss and damage. It said further that "accessing finance remains a challenge and our capacity constraints must be recognised", adding that "the NCQG must not leave any Party or group of Parties behind". It also called for "a robust follow-up mechanism within the GST outcome" to ensure that the outcomes were effectively implemented, adding that the UAE dialogue provided an excellent opportunity to focus on the implementation of these outcomes. It emphasised that, "while these stocktakes will occur every five years, the first GST is crucial for maintaining the 1.5°C target. However, its success will be futile if we do not follow through and implement all outcomes agreed upon at COP 28".

On the MWP, it expressed disappointment there were no results, adding that "only a substantive decision that implements the outcomes of the GST and talks to NDCs will be acceptable to AOSIS. As we move forward to Baku, we need to ensure that we truly deliver 1.5°C-aligned high mitigation ambition in our NDCs as this is the only way we will be able to stay within the [1.5°C] goal that is critical for our survival". On Article 6, it said it was critical to move forward and agree on a set of clear rules and procedures for cooperative approaches that were both transparent and respected environmental integrity.

It said "adaptation remains a critical priority as temperatures continue to rise. Concluding the modalities for the UAE-Belem work programme on indicators is crucial so that we can measure progress and ambition in adaptation action and support. This initiative marks a significant step forward in our collective efforts to address climate change with precision and accountability. By developing robust, transparent and actionable indicators, we can better track our progress and ensure that our strategies are effectively reducing the impacts on our most vulnerable communities".

Venezuela, for **Bolivia, Cuba, Nicaragua** and itself **(ALBA)**, reiterated its commitment to the principles of CBDR and equity, and the right to development, and insisted on the implementation of the Convention and the PA without excuses, defending the promotion and defence of the rights of Mother Earth, climate justice, greater financing for adaptation, and a transition that was truly fair. "We will not accept that responsibilities be transferred to our countries, which have in no way contributed to the climate disaster in which we find ourselves today. In this way, we will ensure that we maintain a real fight against the climate crisis within the framework of building a fair, equitable and supportive society."

Calling 2024 "the year of financing", it said "to achieve the objectives we have set, we need predictability and availability of sufficient financial resources for climate action and to work on the priorities identified by developing countries. We must have a fair, transparent and equitable multilateral climate financing architecture. Baku opens up this possibility for us, but it can only be achieved if developed countries assume their historical responsibility".

Speaking about unilateral coercive measures, it said they "represent a very serious impact on the implementation of the Convention and the PA, limiting the ability to act in the face of the climate crisis and adopt adaptation, mitigation and response measures to climate change. These measures, contrary to international law, must be lifted immediately".

Saudi Arabia, for the **Arab Group**, expressed the need for full adherence to the principles of CBDR and implementation of decisions under the UNFCCC. Emphasising the critical role of adaptation in climate change, it asked for ensuring an adequate adaptation response to the rising temperatures. Calling adaptation a global challenge with "regional and international aspects", it said "each country's response will vary with their unique national and regional circumstances". It also said that the MWP was a platform for exchanging and sharing views with a focus on highlighting best practices and challenges, and emphasised the "need to respect" the Sharm el-Sheikh decision according to which it should be non-punitive in nature and in keeping with principles of equity and CBDR.

On the GST, it said it viewed the GST outcome at COP 28 in a "holistic manner", one which "acknowledged the principles of CBDR and equity" and the need to provide "means of implementation to developing countries" to achieve their NDCs. It said it was disappointed to see "some countries attempting to backtrack on finance dialogue". On response measures, it said "addressing the negative social and economic impacts of response measures is a top priority for developing countries striving to achieve economic goals of sustainable development and prosperity".

Honduras, for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, said that "more than 80% of climate action in our countries is financed through debt in difficult macroeconomic context", which was further "complicated by needs of adaptation" and large-scale loss and damage. It said the international financial framework was "not favourable" to their climate actions, which were "based on best available science".

It called for prioritising the implementation of the GST on all its outcomes, "with an emphasis on means of implementation and mitigation". On the NCQG, it said support should be provided to developing countries "in meeting their commitments" and "taking into account their changing priorities and ambition". Highlighting the need to move forward, it said the new goal should "guarantee implementation" and "ensure ambition in current and future planning" instruments.

Argentina, speaking for **Brazil, Paraguay, Uruguay** and itself (**Group SUR**), welcomed the conclusions on the GST and the informal note that would be the "foundation" for continuation of negotiations at Baku. Calling adaptation a priority of developing countries, it said "we managed to achieve progress" on the work on indicators within the framework of the GGA. On the NCQG, it said developed countries must support developing countries based on needs and priorities of developing countries, keeping in mind the principle of CBDR. "The NCQG cannot add additional debt burden on developing countries," it stressed. On mitigation, it said "it is crucial to generate trust between Parties".

Azerbaijan, the incoming President of COP 29, said "progress in Bonn was vital to build momentum in Baku – to ensure all Parties are well placed to deliver outcomes in COP 29". It said the key to success was to "maintain space for constructiveness in negotiation rooms. Journey to Baku will require huge political effort". It said the COP 29 Presidency was "ready to play its part in enabling and driving forward" the work.

The **European Union** stressed the need for keeping the 1.5°C goal alive and reducing emissions by 43% by 2030 and by 60% by 2035. It said COP 28 at Dubai had set us on a path of transitioning away from fossil fuels. Emphasising the importance of mitigation, it said a "good COP has to include a substantial outcome on mitigation". It said the MWP was a space not only for discussing mitigation but also advancing NDCs, green jobs and green growth "to the benefit of all". It said there was a need for "expert political leadership to keep us on track to achieve climate action we agreed in Dubai".

It said that Parties had a collective responsibility towards the UAE Consensus and highlighted the need for keeping the 1.5°C goal within reach. On the NCQG, it said though the discussions had advanced, there was still a "long way to go". It said there was a need to send a "strong signal for a major shift in the global economy", markets, both domestically and globally, international budgets and financial system. It added that it remained committed to securing the interests of the most vulnerable countries. It also highlighted the need for focusing on the broader landscape of finance and mentioned in this regard the Sharm el-Sheikh dialogue on Article 2.1(c) and its complementarity with Article 9 of the PA.

Australia, for the **Umbrella Group**, said "we are nearly halfway through this critical decade of climate action". Sharing its reflections on the Bonn sessions, it said "we have seen progress in some areas" and noted challenges in others. On the NCQG, it said there was a need to accelerate efforts at the final meeting in October. It said the NCQG was a "critical opportunity to scale up financial flows to deliver on the long-term goals of the PA". Access to finance in the NCQG had to be "multilayered", include all sources and take into account "current economic realities and capabilities".

It expressed disappointment with the lack of progress on the MWP and said Parties were "blocking progress". It stressed the urgency required by the climate crisis and asked Parties to come to Baku with a "different mindset", adding that "accelerating mitigation ambition is a good way forward" and would be "key" for a "successful COP 29". Stressing the need for continuing engagement on the GST, it called the UAE Consensus achieved in COP 28 a "landmark outcome" which called for ambitious NDCs, including aims of tripling renewable energy, doubling energy efficiency and transitioning away from fossil fuels. It said the "ambition of next NDCs" would determine whether we can keep 1.5°C within reach, and emphasised on the need to build momentum for the next NDCs.

Switzerland, for the **Environmental Integrity Group (EIG)**, expressed its disappointment with the progress made on mitigation. It said going back with procedural decisions made it difficult for it to justify at home why they were engaging with the process. It said it was "highly disappointed" with some Parties pushing back on modalities of work, adding that at COP 28 tremendous achievements had been made with the conclusion of the GST which highlighted the need for 1.5°C-aligned NDCs and goals like tripling renewable energy, doubling energy efficiency and transition away from fossil fuels. It further said, "Some Parties referred to GST as a menu option. It is not." It stressed it was particularly important to ensure mitigation action and 1.5°C-aligned NDCs. On the NCQG, it said there was a need to send policy signals to the financial system for changes to happen and direct public finance where it was "most needed".

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Difficult negotiations on just transition work programme

Kuala Lumpur, 19 June (Hilary Kung) – The concluded climate talks under the UNFCCC's Subsidiary Bodies (SBs) in Bonn saw Parties finally agree to a further consideration of the just transition work programme (JTWP) in Baku in November later this year, after long and intense negotiations on the way forward.

The JTWP negotiations saw several setbacks during the two weeks of negotiations in Bonn, and were deadlocked till the final day of the talks on 13 June. Developing countries wanted the JTWP to be enhanced and strengthened with a work plan and activities, but developed countries were opposed to this and pushed for the JTWP to implement the global mitigation efforts agreed to in Dubai last year under the global stocktake (GST), including transitioning away from fossil fuels. (See further details below.)

On 12 June, the Co-Chairs of the joint contact group, Marianne Karlsen (Norway) and Kishan Kumarsingh (Trinidad and Tobago), concluded that no consensus could be reached and closed the contact group's final session at 7.30 pm, saying they would report this to the SB Chairs. Many Parties continued to stay on in the meeting room after the joint contact group ended, however, talking to each other in an attempt to find a way to break the deadlock in the negotiations and ensure that the work done in Bonn was not in vain.

Nabeel Munir (Pakistan), the Chair of the Subsidiary Body for Implementation (SBI), and Harry Vreuls (Netherlands), the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA), were seen entering the meeting room to ascertain what was going on. After a long night of consultations from 7.30 pm until 10.50 pm, no consensus was reached.

In one last push for consensus by the G77 and China before the closing plenary on 13 June, Parties agreed to the conclusions, and for the continued consideration of this matter at SB 61, "taking note of the informal note prepared by the Co-Chairs [of the JTWP] under their own responsibility, the exchanges of views and inputs by Parties, views submitted via the submission portal … and the annual summary report of the dialogues [held under the JTWP], with a view to recommending a draft decision on the matter for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session (CMA 6) (November 2024), recognizing that all inputs do not represent a consensus among Parties and further work is necessary to finalize the decision".

The JTWP was established in Sharm el-Sheikh, Egypt, in 2022 for discussion of pathways to achieving the goals of the Paris Agreement (PA). An annual high-level ministerial roundtable on just transition was decided in Sharm el-Sheikh. In Dubai last year, Parties agreed on the elements of the JTWP, following stark divergences between developed and developing countries. (See Update 1 and paragraph 2 of decision 3/CMA.5.) The Dubai decision also stated that at least two dialogues should be held each year, with an annual summary report of the dialogues and a report summarising information to inform the second global stocktake. (See Update 3 on the first dialogue of the JTWP.)

With the Dubai decision stating that the SBs shall guide the implementation of the work programme through a joint contact group, with a view to recommending a draft decision on this matter for consideration and adoption in Baku, the negotiations in Bonn saw developing countries, led by the G77 and China, calling for a focus on enhancing and strengthening the JTWP, while developed countries wanted to maintain the minimal modalities and for the JTWP to serve as a follow-up to the first GST, specifically on paragraph 28.

(Paragraph 28 of the GST called on Parties to contribute to the global mitigation efforts, such as: "(a) Tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030; (b) Accelerating efforts towards the phase-down of unabated coal power; … (d) Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner…; … (h) Phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible".)

G77 proposes work plan for implementation of JTWP

In the joint contact group on 10 June, **Egypt**, on behalf of the **G77 and China**, proposed to add the consideration of "a work plan" in the draft conclusions text. This was strongly opposed by developed countries, led by the **United States**, **Canada**, the **European Union**, **Japan** and the **United Kingdom**, and the "work plan" never made its way into the text. (See Update 9.)

The conclusion text saw a newly added paragraph 5, which reads, "The SBSTA and the SBI emphasized working systematically to cover the elements contained in paragraph 2 of decision 3/CMA.5." This was originally proposed as a new paragraph 4bis by developed countries in response to the call by developing countries to include the "work plan" in the draft text. The only reference to the work plan is in the informal note that reads, "[Placeholder on the work plan for the work programme]". This work plan proposal in brackets foreshadows a tough fight for developing countries in their effort to continue strengthening the JTWP in Baku.

In the joint contact group on 11 June, **Kenya**, for the **African Group (AG)**, said it would not support having the placeholder on the work plan. (The AG had submitted a draft decision text, known as conference room paper (CRP), together with a detailed work plan for 2024, and wanted its proposal to be integrated into the draft text, instead of a placeholder. The CRP clearly outlined the activities and timeline under each element of the JTWP, as well as the expected outputs.) The AG called for its input to be fully integrated into the draft text. This was echoed by **China** and **South Africa**.

On the other hand, the **US** called for removal of the placeholder for the work plan, citing no consensus on the matter, while the **UK** insisted on adding language in the draft conclusion text to reiterate some key messages from the GST, which was supported by the **US** and **New Zealand**.

The **UK** proposed additions as heard in the room for the following text: "Decides [that the] JTWP should facilitate the accelerated implementation of 1.5°C aligned pathways and transition away from fossil fuel, in line with paragraph 28 of decision 1/CMA.5" and "Invites Parties to share experience in implementing the GST outcome, in particular paragraphs 28 and 42 of decision 1/CMA.5, at the UAE just transition work programme dialogue".

Reacting to the proposals of developed countries, **Qatar**, for the **Arab Group**, reminded Parties that the "JTWP is not a mechanism to follow up on GST" and called for postponing discussions on the draft text and only focusing on the draft SB conclusions in Bonn. This was echoed by **Saudi Arabia**.

India said it felt that "we are diverting from our goal, elements, and procedures which [were] mentioned in the JTWP" and were "supposed to be on the implementation of the work programme".

Bolivia, for the **Like-Minded Developing Countries (LMDC)**, also reiterated the importance of including the elements that had been agreed to in Dubai in the draft text and explained the need to postpone discussions on the draft.

South Africa said the GST decision was important but it was not the essence of the work programme. It called on Parties to focus on operationalising the JTWP and wanted to see the textual proposal by the AG reflected in the operative paragraphs of the draft text. "The [proposed] work plan seeks to organise the work and align with the elements [as per paragraph 2 of the Dubai decision], not to deviate from the agenda item," said South Africa further.

Delicate balance in forwarding the informal note

The draft text released by the Co-Chairs on 10 June – which was later referred to as the informal note by the Co-Chairs – had been a contentious issue. Developed countries including **Australia**, the **UK**, the **US**, the **EU** and **New Zealand** wanted to forward the text to SB 61 for further consideration in Baku, while a majority of the developing countries, except **Papua New**

Guinea, did not see the current draft as a good basis for further negotiation in Baku.

The adopted conclusions in Bonn saw a delicate balance in forwarding the informal note alongside the exchanges of views and inputs by Parties under these agenda items at these sessions, views submitted via the submission portal no later than four weeks prior to SB 61, and the annual summary report on the dialogues, with a view to recommending a draft decision in Baku, "recognizing that all inputs do not represent a consensus among Parties and further work is necessary to finalize the decision".

Bolivia, for the **LMDC**, noted that the draft text was very unbalanced and did not include all views from Parties, and said the text could not be forwarded without all views being taken into account. This was echoed by **Qatar** for the **Arab Group**, **China** and **Saudi Arabia**, while others called for more time to work on a bridging proposal put forward by Nepal (see below).

China again called for integrating the AG's textual proposal into the draft text as a better way forward, emphasising that this was a Party-driven process.

The **US**, **Norway**, **Canada**, **Australia**, the **UK**, the **EU** and **Switzerland** for the **Environmental Integrity Group (EIG)** wanted to forward the draft text as is to Baku, but also expressed willingness to engage with Nepal's bridging proposal. In previous sessions, the US had also called for references to the "Convention" to be deleted and replaced with the PA in the draft text, which was supported by the the EU.

Nepal, in an attempt to salvage the work done in Bonn, provided a bridging proposal to balance the draft text with a call for submissions before SB 61 by Parties whose views had not been included.

Sources informed the Third World Network that during the consultations with the SB Chairs, the **UK**, in response to the new paragraph inserted by developing countries which called for submissions from Parties to complement the informal note, reintroduced language from the GST decision through a new paragraph. This caused another breakdown of the negotiations and Parties had to move into huddles to find convergence.

Towards the end, Parties seemed to agree to the delicate balance in the paragraph concerned, but not on removing all the brackets in the other paragraphs in the draft conclusions. The US answered "No" when the SBI Chair asked whether there was an agreement on removing the brackets in paragraph 6, which was about holding the second dialogue intersessionally well in advance of SB 61. Clearly, the conclusions in Bonn have set the stage for tough fights to happen in Baku on the implementation of the JTWP.

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Head-on clash foreseen in Baku over scope of "UAE dialogue"

Kathmandu, 20 June (Prerna Bomzan) – At the recently concluded 60th session of the UNFCCC's Subsidiary Bodies (SB 60) in Bonn, differences proved irreconcilable over the "scope" of the "United Arab Emirates (UAE) dialogue" established by paragraph 97 of the decision on the first global stocktake (GST) outcome adopted at the annual climate talks in Dubai last year.

(In the GST decision 1/CMA.5, paragraph 97, it was decided "to establish the United Arab Emirates dialogue on implementing the global stocktake outcomes". This paragraph was placed under the "Finance" heading of the section on "Means of implementation and support" in the decision.)

At the start of the informal consultations in Bonn, differences arose on what actually transpired in Dubai during the drafting of the GST decision and how paragraph 97 was arrived at.

The **African Group** stated (this was reiterated by **Egypt** and **South Africa**) that meetings of the COP/CMA from COP 26/CMA 3 through to COP 28/CMA 5 and their decisions had all confirmed that there was a "major gap between the climate finance needs and finance mobilised and provided to developing countries to implement their current NDCs [nationally determined contributions] and NAPs [national adaptation plans], let alone the additional targets or aspirations set out in the GST outcome".

It highlighted further that "it was this that caused the Ministerial pair facilitating the finance section of the GST decision and the team working on the final GST outcome under the UAE's leadership, to propose the paragraphs [referring to paragraphs 97 and 98] that created the space for focused discussions on financing the implementation of the GST elements, with this intention made explicitly clear through the placement of the paragraphs in the finance section of the decision".

Developed countries, however, recalled different understandings of what actually happened, leading to the conundrum faced in Bonn, which is expected to come to a flashpoint in Baku.

In Bonn, a majority of developing countries argued that a logical, correct reading of the decision clearly pointed to the scope of the UAE dialogue as solely focused on "finance-related" GST outcomes. Developed countries and some groupings of developing countries however had divergent views, particularly arguing for a broader scope covering "all" GST outcomes (see Update 5). This fundamental difference on scope dominated the negotiations, obscuring the key mandate (as contained in paragraph 98 of the decision) of developing the "modalities" for the dialogue.

The issue of scope turned into a key fight of "form following function", as mentioned by the **European Union**, especially by those pushing for the purpose and objective to cover "all" GST outcomes, placing emphasis on the "mitigation" outcomes of the GST decision (in particular, its highly contested paragraph 28 which includes global efforts to transition away from fossil fuels) among others. Those who wanted the focus to only be on "finance-related" outcomes of the GST decried that a broad scope was outside of the GST mandate, was policy-prescriptive and not acceptable.

During the negotiations in Bonn, co-facilitators Richardo Marshall (Barbados) and Patrick Spicer (Canada) prepared an informal note to capture the views of Parties. However, Parties cited an imbalance in the overall text on the scope – as captured broadly by three "options or visions" – which led to its not being fully reflective of all different views. The three options/visions were: climate finance/means of implementation (MOI) to implement the GST outcomes; implementing all GST outcomes; and all GST outcomes with a focus on finance/MOI.

Throughout the second week of the negotiations, the informal note evolved into multiple iterations. Two options/visions were added to reflect the views of the **Like-Minded Developing Countries (LMDC)** (supported by the **Arab Group**) and of the **Environmental and Integrity Group (EIG)** respectively. (See details below.)

Parties finally agreed to take forward the informal note capturing five options/visions on the scope as the basis for negotiations later this year.

The adopted draft conclusions proposed by the Chair of the Subsidiary Body for Implementation (SBI) state that "the informal note does not represent consensus among Parties", and that the SBI "agreed to continue consideration of this matter, taking into account the informal note, at SBI 61 (November 2024)" with a view to concluding consideration of the matter at CMA 6. Further, the SBI also invited Parties to submit their views on the modalities of the dialogue by 15 September this year, and further requested the secretariat to prepare a synthesis of the submissions for consideration at SBI 61.

The chapeau of the informal note states that the note "includes divergent views on scope, modalities, and timeline, of GST-related activities and has been prepared by the co-facilitators for this agenda item under their own responsibility". Further, "the informal note has not been agreed upon, is not exhaustive, and has no formal status. It is intended to assist Parties in their discussions and does not prejudge further work or prevent Parties from expressing any further views". Additionally, "based on the deliberations and submissions by Parties, the non-exhaustive list of possible elements reflect various views on the scope of the dialogue, its purpose and objectives, and related modalities on timing, format, inputs and outputs. Some Parties also provided views on possible preambular elements, which are presented at the end of the informal note". The entire list of possible elements is kept in square brackets denoting absence of agreement.

The five different options/visions on the scope of the dialogue, comprising the purpose and objectives as well as the modalities under each option/vision, are listed comprehensively in the informal note in the following order:

Scope: Climate finance/MOI to implement GST outcomes

This option/vision reflects the views of the **African Group** led by **Ghana** and **Group SUR (Argentina, Brazil, Uruguay, Paraguay)** led by **Brazil**, further echoed by **Egypt**, **South Africa** and **Kenya** during the negotiations.

Among a list of elements under the purpose and objectives under this option, the dialogue will "focus on climate finance in relation to implementing the GST-1 outcomes, with the rationale of serving as a follow up mechanism dedicated to climate finance, ensuring response to and/or monitoring of, as may be appropriate and necessary, all climate finance items under the GST".

The dialogue "should allow for discussions on implementation with provision of finance at the centre of implementation of such outcomes, recognising that other means of implementation are also crucial". Further, "the main elements of the discussions should include:

- Scale of finance available and accessible for developing countries;
- Instruments used for providing climate finance in particular for the additional elements referred to under GST;
- Access modalities for finance;
- Distribution of finance resources and channels used;
- Balance of finance between the different themes and targets;
- Role of relevant financial institutions in providing climate finance".

Under this option, "[t]he sole mandate of UAE dialogue … is to discuss the availability, predictability and adequacy of the provision of finance to support the implementation of the current NDCs and NAPs, and deliver on the additional recommendations from the CMA.5 outcomes. This would include discussion on the adequacy, instruments, accessibility and equitable distribution of finance, and the gaps in this regard". This paragraph reflects the understanding of the African Group, supported by Egypt and South Africa, as to what transpired in Dubai as regards the GST decision.

Scope: Financial support from developed to developing countries and tracking the delivery of the NCQG

This option/vision was added to reflect the views of the **LMDC** led by **Saudi Arabia** and the **Arab Group** led by **Qatar** and **Iraq**, further echoed by **China** and **India** during the negotiations. It had initially been clubbed with the preceding first option/vision. However, Saudi Arabia for the LMDC consistently emphasised on capturing its views as a "separate vision on its own", given that the preceding option/vision "did not accurately reflect the characterisation" of the dialogue. It said that the group did not see the implementation of GST outcomes in a "decision text" and that it could be "feasibly" achieved in a dialogue since implementation was at the "national" level through the NDCs and NAPs. It further cautioned that the informal note without its separate vision was a "non-starter" as it contained "red lines and renegotiation of the GST outcomes", and hence, "balance" was required with incorporation of its inputs.

Under this option/vision, the text under the section on purpose and objectives reads:

"• Confirms that the UAE dialogue on implementing the global stocktake outcomes referred to in paragraphs 97 and 98 of decision 1/CMA.5 will focus on
  – financial support from developed to developing countries to implement their Nationally Determined Contributions under Paris Agreement and their National Adaptation Plans, and
  – decides to track the delivery of the New Collective Quantified Goal on Climate Finance within the UAE dialogue on implementing the global stocktake;

"• Decides that the dialogue shall provide developed countries with space to provide updates and announcements on their contributions and efforts to mobilize finance, and developing countries to outline gaps and needs for finance".

Scope: Implementing all GST outcomes

This option/vision reflects the views of the **EU**, echoed by **Norway**, the **United States** and **Japan** during the negotiations. In the initial version of the informal note (7 June), this option/vision was captured as "all GST outcomes including MOI/ Finance", but it was rephrased in the subsequent iteration of 10 June to "implementing all GST outcomes".

Among a list of elements under the purpose and objectives:

"• The UAE dialogue on the implementation of the GST1 outcomes, aims to keep track of the status of implementation, this includes tracking of actions taking place at the global level, and the resources available towards the achievement of the objectives globally and will create a bridge to inform the GST2 on how the outcomes from GST1 has been addressed;

"• The purpose of the UAE dialogue should be to track collective progress across all outcomes in the first Global Stocktake, with three clear roles:
  - Creating an opportunity for Parties to consider follow-up to the first GST in a holistic and integrated manner, by providing a space to discuss how our work across all workstreams ties together in pursuit of the goals of the Paris Agreement, and a tool to reflect on how this contributes to our collective progress in implementing the GST outcomes;
  – Playing an important role in ensuring concrete follow-up to elements of the GST1 outcome that are not being addressed elsewhere in the UNFCCC process;
  – Ensuring a holistic understanding of follow-up to GST outcomes for which greater coordination is required – for example if certain outcomes are being considered by more than one work programme or constituted body (in line with the mandate in paragraph 186 in 1/CMA.5)".

Another element states that the dialogue "should include enhancing efforts toward achieving Article 2, paragraph 1(c) in relation to implementing the GST1 outcomes".

(Given no common understanding on Article 2.1(c) of the Paris Agreement on "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development", **Egypt** reminded Parties that the place to discuss this unresolved issue was at the ongoing Sharm el-Sheikh dialogue extended to 2024 and 2025, as decided in Dubai last year.)

This option/vision also has the following text: "emphasize the need for urgent action and support to keep the 1.5°C goal within reach and address climate crisis in this critical decade".

Scope: All GST outcomes with a view to inform Parties in updating and enhancing their actions and support

This option/vision was added to reflect the views of the **EIG** led by **Switzerland**, who had pushed for a "separate vision" focusing on the "actions" element of the GST decision, which it insisted had been "squeezed out" from the preceding third option/vision.

Among a list of elements under the purpose and objective, paragraph 28 of the mitigation outcomes is listed in its entirety as a topic that "the UAE dialogue on climate action" may consider in terms of "experience, best practices, opportunities and challenges with regards to contribute [sic] to the global efforts".

Scope: All GST outcomes with a focus on finance/MOI

This option/vision reflects views of the **Independent Alliance of Latin America and the Caribbean (AILAC)** led by **Chile**, the **Alliance of Small Island States (AOSIS)** led by **Grenada** and the **Maldives**, and the **Least Developed Countries (LDCs)** led by **Malawi**.

The list of elements under the purpose and objective includes:

"• The Dialogue to serve as a platform for a robust follow-up mechanism within the GST framework to ensure effective implementation of its outcomes. This dialogue should facilitate a thorough assessment of progress in implementing the GST outcomes, allowing the identification of gaps and challenges. The dialogue should prioritize the implementation of outcomes within the context of delivering the necessary means of implementation, with the provision of finance being a critical component, while maintaining an overarching focus on the GST, covering all its components, including means of implementation;

"• The UAE dialogue framing must establish a clear connection between finance and other means of implementation with all actionable calls and commitments outlined in decision 1/CMA.5".

The five different options/visions above on the scope of the UAE dialogue definitely signal a head-on fight in Baku to arrive at a consensus and land a final decision to "operationalise" the dialogue starting at CMA 6 and concluding at CMA 10 (2028) as mandated by paragraph 98 of the GST decision. This will definitely be one of the most-watched agenda items in Baku, and how a compromise will be arrived at will indeed be nail-biting.

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Impasse over mandate of the mitigation work programme

New Delhi, 24 June (Radhika Chatterjee) – Countries were not able to find consensus on the way forward for the "Sharm el-Sheikh mitigation ambition and implementation work programme" (commonly referred to as the mitigation work programme, MWP) at the recently concluded 60th sessions of the UNFCCC Subsidiary Bodies (SB 60) held in Bonn from 3–13 June.

With seven informal consultations held, the MWP was one of the most contentious issues at SB 60 (see Update 7), with divisions over its mandate. The polarised positions among Parties led to an impasse over how to move forward on the MWP, leading to the matter being transmitted for consideration to the next SB session (SB 61), to be held in Baku, Azerbaijan, under Rule 16 of the UNFCCC's draft Rules of Procedure.

The key areas of divergence during the two weeks centred on the following issues: whether the MWP conclusions from Bonn should include any high-level political messages; whether there should be any linkage between the MWP and the global stocktake (GST) decision from Dubai last year; whether the MWP should be a vehicle for implementation of the mitigation section of the GST outcome; and the relationship between the MWP and the nationally determined contributions (NDCs), especially in light of all Parties needing to communicate their next NDCs by February 2025 (for the timeframe of 2031–2035).

Most developing countries including the **Like-Minded Developing Countries (LMDC)**, the **African Group**, the **Arab Group** and **Group SUR (Brazil, Argentina, Paraguay and Uruguay)** said the MWP should not be used for imposing any targets on countries. They instead stressed that the work programme should be operationalised through a "focused exchange of views, information and ideas". Taking stock of the three global dialogues and investment-focused events (IFEs) held under the MWP so far, they said the platforms were useful spaces of discussion which provided an opportunity to share experiences and learn from others.

(The MWP decision 4/CMA.4 adopted in 2022 states that the "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.

(The global dialogues this year under the MWP are focused on the topic "Cities: buildings and urban systems". A three-day event was held in Bonn on 27–29 May, prior to SB 60, and a report is to be prepared by the Co-Chairs of the MWP later in the year. The next global dialogue and IFE is scheduled to take place ahead of COP 29, which too will be followed by the preparation of a report. As per paragraph 15 of decision 4/CMA.4, the secretariat will also "prepare an annual report comprising a compilation of the individual dialogue reports for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI)".)

The developing countries further highlighted that the purpose of the MWP was to inform the implementation of mitigation actions, and not about future NDCs. Arguing against the imposition of any mitigation targets, especially those detailed in paragraph 28 of the GST outcome document (on global mitigation efforts including the transitioning away from fossil fuels), they said it would result in going beyond the mandate of the MWP that had already been agreed upon by countries in Sharm el-Sheikh.

They stressed that any linkage between the MWP and the GST under paragraph 186 of the GST decision had to be in line with the mandate of the existing work programme and should not amount to altering existing mandates. (Paragraph 186 of the GST outcome document states: "Invites the relevant work programmes and constituted bodies under or serving the Paris Agreement to integrate relevant outcomes of the first global stocktake in planning their future work, in line with their mandates".)

Laying emphasis on the need for developed countries to take the lead in scaling up mitigation action, they said that acceleration of action in this critical decade should occur in line with paragraph 6 of the GST document. (Paragraph 6 states: "Commits to accelerate action in this critical decade on the basis of the best available science, reflecting equity and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty".)

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

Late into the night of 11 June (two days before the closing of the SBs), after the sixth informal consultations had concluded, co-facilitators Kay Harrison (New Zealand) and Carlos Fuller (Belize) produced an "informal note" under their "own responsibility" and with "no formal status". A "draft text" was also uploaded on the website to reflect the conclusions from the session.

On the following day, countries were given a final chance to find consensus on the way forward on the MWP agenda, by SBI Chair Nabeel Munir (Pakistan) and SBSTA Chair Harry Vreuls (Netherlands), who addressed the room for a short while, given the impasse. However, the wide divergences among countries could not be bridged even until the very end of the two-hour session, and Parties could not agree on the draft conclusions proposed, including on the informal note produced. Some of the developing-country groupings like the **LMDC**, the **African Group** and the **Arab Group** questioned the preparation of the draft conclusions and informal note by the co-facilitators, given the divergent views over the MWP mandate.

At the closing plenary of the SBs, many groupings of Parties expressed their grave disappointment over the lack of progress on the MWP at the Bonn session.

Highlights of interventions

Bolivia, speaking for the **LMDC** at the closing plenary, expressed its "deep concern on the lack of progress on this very important matter. The process followed was poor and the negotiations were in bad faith. This is supposed to be a Party-driven process, but it turned out to be a co-facilitators-driven process. We saw our partners trying to change the mandate that they agreed to in Sharm el-Sheikh. This is unacceptable. We negotiated a decision and arrived at a very delicate balance. It does not help to make attempts to change the mandate each time we meet. We hope to reiterate the importance of respecting and sticking to the mandate". It said further that "the MWP's mandate and scope of work is quite clear. We have had three successful global dialogues and investment-focused events, which include informative exchange of views by all Parties. We also achieved a comprehensive and a balanced decision in Dubai, which presents a good example of our future work".

Referring to the informal consultations, Bolivia said further that the LMDC "have engaged constructively in the discussion during this session, but unfortunately, our partners tried to create new issues [to] overhaul the MWP and start from scratch, ultimately creating a completely new work programme".

Chastising the developed countries who spoke about scaling up mitigation ambition, it said, "For our partners who speak about ambition, let us remind everyone that in this very session, we have seen our partners try to bury reports that project that Annex I Parties' emissions will increase in 2030 compared to 2020. The narrative therefore is really strange and shocking. Developed countries should take the lead in emissions reductions, and here we see projections that the emissions of Annex I Parties will increase. And when it comes to conversations on means of implementation for developing countries, they block conversations and go back on decisions agreed to even in the recent past. This hypocrisy must end. We in the LMDC value real action and not empty words."

During the informal consultations, **China**, for the **LMDC**, had explained that each agenda item had its own mandate, activities and mission, and one item should not be made the mandate of all items, saying that the "GST has its own mandate, including mitigation, adaptation, finance". The purpose of the MWP "is not to inform NDCs but to inform current mitigation ambition … it could be [an] input to the second GST", said China further.

Appreciating the progress made so far through the global dialogues and IFEs under the MWP, China said that we should celebrate the progress made under the MWP instead of denying it and that the mandate was being fulfilled. Responding to calls for including political messages and targets (from paragraph 28 of the GST decision) in the MWP, it said there were proposals from some Parties that had very clear intentions of imposing new targets on countries and making the MWP "policy-prescriptive". This felt like attempts were being made to teach Parties how to prepare their NDCs.

Expressing its understanding of paragraph 186 of the GST decision, China said "we hear some misleading claims that paragraph 186 is our new mandate … we don't believe all original programmes have to change their mandates" because of that. Further, it added that paragraph 186 stated "in line with [their] mandates", and countries should therefore follow the existing mandate instead of changing it. It stressed that the GST could not replace the Paris Agreement and its implementation.

Other developing countries like **Pakistan**, **Qatar** and **Kuwait** echoed the LMDC views.

South Africa, for the **African Group**, reiterated the need for respecting the existing mandate of the MWP, adding that "we maintain that we discuss common areas" instead of discussing "issues beyond the mandate". It further said that "it is important to respect the original mandate and scope of the MWP as per decision 4/CMA.4 … we have not yet fulfilled that mandate … all of this is very premature and confusing for us".

Saudi Arabia, for the **Arab Group**, said the scaling up of mitigation ambition under the MWP had to be operationalised in line with paragraph 2 of decision 4/CMA.4. Sharing its assessment of the global dialogues and IFEs held so far, it said that in holding these dialogues, countries were actually fulfilling the mandate of the MWP. It expressed disappointment that some Parties did not consider this progress. "What we have been hearing is that progress is not achieved unless we are prescriptive, impose targets, dictate NDCs, [and] unless we duplicate mandates."

On linking the GST with the MWP in accordance with paragraph 186 of the GST outcome, it said the claim that paragraph 186 was the new mandate of the MWP was "misleading", calling this "a clear example that solidifies our concerns about attempts to change the mandate". It explained that the GST was about the assessment of the collective progress of Parties to the Paris Agreement. It also said that it was "puzzled" as to how linking the GST to the MWP would scale up mitigation ambition, "especially if those actions are not feasible and taken out of [the] context of equity and CBDR". It added that the GST too had to take into account the principles of equity and CBDR and inform the preparation of NDCs in a bottom-up manner.

It said further that the mechanism for tracking the implementation of NDCs was provided under the Enhanced Transparency Framework (ETF), which also looked into the financing provided. It said paragraph 186 of the GST outcome was an "invitation" to Parties and "not a mandate", and had "an important caveat" that integration of GST outcomes with existing programmes had to occur in line with their mandates.

Saudi Arabia also stressed that the "invitation" (in paragraph 186) was not only about paragraph 28 of the GST outcome but was about "all relevant outcomes", including those on finance and the new collective quantified goal on finance. It also highlighted paragraph 6 of the GST decision, which committed countries to "accelerate action" on the "basis of the best available science, reflecting equity and the principle of CBDR-RC, in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty". **Kuwait** and **Qatar** aligned with the Arab Group.

Brazil, for **Group SUR**, said the global dialogues held under the MWP provided "valuable inputs for experts" and a space for different participants to engage with each other. "In a situation of climate urgency, the MWP has to deliver on its mandate of urgently scaling up MWP implementation", but instead "[we] are seeing progressing efforts to separate mitigation from means of implementation (MOI)". It said a "holistic approach" was needed for upholding the Paris Agreement and the UNFCCC, which included the principle of CBDR-RC. "We cannot accept cherry picking," it said. Stressing the importance of MOI, it said there was a "huge gap between MOI provided by developed countries and rapidly rising needs of developing countries … developed countries must take the lead in raising ambition and enhancing support to developing countries. We need developed countries to fulfil their commitments under the UNFCCC and the Paris Agreement".

On the proposal to use the MWP as a vehicle for following up on the GST, it said "this work programme is not capable of doing that", adding that it could be "a space where Parties can share ideas and promote experimental approach". It added that there was a need to establish "closer links of global dialogues to the investment-focused events" such that "matchmaking of investors with specific projects including national development banks and multilateral development banks" could occur. It also asked for the organisation of workshops "with the aim of technology transfer and capacity building".

Brazil, for **South Africa, India, China** and itself (**BASIC**), said at the closing plenary that they were disappointed that once again some Parties attempted to reopen the mandate for the MWP. "We urge Parties to build a safe environment based on trust to make progress in this agenda item. We would welcome signals by developed countries on how they intend to anticipate their climate neutrality targets at least by 2040. They should also give explanations on how recent unilateral measures against developing countries' sustainable development may in any way benefit fighting climate change."

"We are extremely worried that developed countries still have not clarified information under the Convention on the compilation and synthesis of [their] fifth biennial reports of Annex I Parties that refers to projected increases in their aggregate emissions from 2020 to 2030," added Brazil.

India stressed the need for avoiding "conflation of substance and changing [the] mode of dialogues". Linkage of GST outcomes to the MWP "does not respect boundaries of national circumstances, nor does it respect CBDR-RC", it added. It said remaining "faithful" to the mandate of the MWP as decided in 2022 was "pivotal for fostering trust and cooperation among Parties" and that the "MWP must not impose new targets", adding further that "the essence of [the] MWP is to exchange information and help countries learn from each other". Highlighting the technical nature of the global dialogues, it said it was important to respect their "collaborative spirit".

It also said that aligning the MWP with the GST decision was "out of scope" because the "MWP is an information-sharing platform". It said further that linking the GST to the global dialogues "narrows the scope of the global dialogues" and Parties should be able to submit any topics on mitigation and the exchange of views should not be restricted to specific sectors. The global dialogues "are valuable to gain insight and build capacity for climate action" and should not be used for "shifting the goalpost for target imposition", it added. Highlighting the importance of MOI, it stressed that the IFEs "should be about grants" and not for "increasing debt".

Malawi, for the **Least Developed Countries (LDCs)** at the closing plenary, expressed concern about the lack of progress on the MWP agenda item in Bonn. "The failure to advance the work programme places the most vulnerable among us in a challenging position for sustaining climate-resilient development, and it jeopardises the pathway to limiting temperature rise to well below 1.5°C."

Samoa, for **AOSIS**, said at the closing plenary that "instead of creating the space and opportunity for high mitigation impact on the ground, the MWP appears to be taking a U-turn away from what our small islands and the global community really need. We are extremely disappointed that after two weeks of hard work, there were no results, and we will have to work even harder to ensure we get results in Baku. Only a substantive decision that implements the outcomes of the GST and talks to NDCs will be acceptable to AOSIS. As we move forward to Baku, we need to ensure that we truly deliver 1.5°C-aligned high mitigation ambition in our NDCs as this is the only way we will be able to stay within the … temperature goal that is critical for our survival".

Emphasising the need to link the MWP and the GST outcome, it said, "The outcomes of the first GST clearly tell us that we need to be far more ambitious in driving climate action and the urgency required to reduce emissions to ensure we keep 1.5°C within reach. Therefore, through you we call on the SB Chairs and the COP Presidency to prioritise highly ambitious NDCs that are in line with the Paris temperature goal as we head to Baku and Belem [where COP 30 will be held in 2025].”

Honduras, for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, said that implementing the MWP should involve a scaling up of mitigation action for the MWP to reach its “full potential”. It said “the dialogues’ full potential cannot be reached unless the link between the GST and the MWP is established”. Calling itself “advocates for substantial results”, it said “this programme has potential” which is “still undelivered”. It added that “countries can find better conditions to deliver mitigation”.

The **European Union** at the closing plenary said, “To avoid the worst, to keep 1.5°C alive, we need emissions to drop by 43% by 2030 and by 60% by 2035. We need strong action on mitigation urgently … A vast majority of developed and developing countries is determined to engage in robust and ambitious mitigation outcome. Regrettably our efforts over the past weeks have left a void.”

It added that it “had hoped that Dubai had set us on a path for reaching 1.5°C, the shared understanding of a global economic development free of fossil fuels, with competitive clean industries, a just transition, leaving no one behind. We need a space to discuss mitigation opportunities; a space that advances the global goals on energy transition; a space to provide the drive for high ambition NDCs that deliver new jobs and green growth to the benefit of all”. The MWP, said the EU, was that space. It called on “the SB Chairs, the presiding officers and the COP presidencies to exert political leadership to keep us on track towards implementing the ambitious climate action we agreed in Dubai. There cannot be a good outcome of COP 29 if it doesn’t include a good substantial outcome on mitigation”, which was important for “the integrity of our multilateral process and its credibility”.

Australia, for the **Umbrella Group** at the closing plenary, said “we are deeply disappointed and concerned about the lack of progress under the MWP”, adding that “the continued and concerted efforts by some Parties to block substantive discussions in such a critical issue [are] extraordinary”. It believed that this “does not reflect the urgency of the climate crisis, nor the spirit of a multilateral process. We urge these Parties to come to Baku with a different mindset. Accelerating global mitigation ambition and implementation should be a shared priority for all countries in this forum. A substantive outcome in this work programme that drives forward mitigation opportunities and actions will be a key deliverable to a successful COP 29”.

Switzerland, for the **Environmental Integrity Group (EIG)**, said at the closing plenary that the SBs were a space to “make progress on substantial matters and not fight on process”. It added, “Our group stands by a Party-driven process. A Party-driven process means we entrust our presiding officers proposing [a] way forward including producing texts.” It also asked for trust in the presiding officials in doing “their jobs” and for allowing Parties to engage with each other and “to express agreement or disagreement”. “This process must be transparent. We are highly concerned to see some groups push back on the very modalities that have contributed to the success of our process and engage with SB Chairs and secretariat directly in attempts to stall progress,” said Switzerland further. “It was useful to have clarity this week that presiding officers are entrusted this responsibility to put forward text suggestions and don’t need specific mandate by Parties in the room.”

On mitigation, it said, “Last year we made tremendous achievement with the conclusion of the GST. We made headlines on the importance of 1.5°C-aligned NDCs as we all committed to tripling renewable energy, doubling energy efficiency, and transitioning away from fossil fuels at the global level. We are committed to new adaptation objectives, and to progress loss and damage as well as the means of implementation. We count on [the] incoming presidency to uphold the legacy of the UAE Consensus. The world will be looking forward to signals and collective targets that were agreed at COP 28. We are concerned that some Parties refer to the GST as a menu of options. It is not. It is a joint commitment that we need to implement in its entirety at the global level. COP 29 must provide a space to demonstrate progress. This is of particular importance as this year marks the importance of NDCs. We have to show we are serious about mitigation action and present ambitious 1.5°C-aligned NDCs, in particular key players.”

The battle over the mandate of the MWP will continue in Baku. It will indeed be another major flashpoint on what the role of the MWP is and will be.

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State the quantum for new climate finance goal – say developing countries

Delhi, 25 June (Indrajit Bose and Prerna Bomzan) – Developing countries made fervent calls to discuss the quantum of the new collective quantified goal on climate finance (NCQG), and for developed countries to reveal how much money they were willing to put on the table. These calls were however in vain, as developed countries refused to respond to them. These discussions happened during the second meeting under the ad hoc work programme (2nd AHWP) on the NCQG, which was held in conjunction with the recently held climate talks under the UNFCCC's Subsidiary Bodies from 3–13 June in Bonn.

The **Group of 77 and China** referred to "quantum" as being one of the most consequential elements of the goal, which must be based on developing countries' priorities and evolving needs, including loss-and-damage responses. Developed countries, however, were focused on discussion about expanding the contributor base (to go beyond developed countries and include developing countries too).

The 2nd AHWP meeting convened over several sessions and differences continued among developing and developed countries. (The first meeting under the AHWP was convened in Cartagena, Colombia, on 25–26 April. See https://twn.my/title2/climate/info.service/2024/cc240501.htm.)

Meanwhile, the Co-Chairs of the AHWP Zaheer Fakir (South Africa) and Fiona Gilbert (Australia) prepared several iterations of their input paper, and Parties reacted to the iterations during the deliberations in Bonn.

(At COP 28/CMA 5, Parties decided to transition into a mode of work to enable them to engage in developing the "substantive framework for a draft negotiating text" on the NCQG for consideration by CMA 6 in November later this year. Before the start of the 2nd AHWP meeting in Bonn, the Co-Chairs had presented to Parties a 63-page input paper. As the discussions evolved during the Bonn session, the input paper was streamlined into a 45-page version on 7 June and further streamlined into 35 pages on 9 June in accordance with Parties' suggestions and views.)

Several developing countries though were not happy with the latest version of the input paper, saying that it was not balanced and could not therefore serve as the basis for the substantive framework. They called on the Co-Chairs to prepare a new version that was shorter and more balanced, and added that the input paper reflected more of developed countries' views and much of the content went beyond the scope of the NCQG mandate. The discussions were often intense and passionate, followed by applause for particular developing-country interventions. (See highlights below.)

Following the discussions, Fakir informed Parties that the Co-Chairs would send a set of guiding questions prior to the 3rd meeting of the AHWP, and invite submissions which would help the Co-Chairs update the input paper and consolidate views on bridging proposals. The date and venue of the 3rd AHWP meeting will be announced later.

Highlights of interventions

At the closing plenary of the Bonn climate change talks, **Uganda**, for the **G77 and China**, expressed the sentiments of 134 developing countries and said "the NCQG is of maximum priority and it must be delivered in Baku". It called for the goal to be delivered by developed countries to developing countries based on the principles of equity and common but differentiated responsibilities (CBDR), and for starting to engage in concrete language (in the text for negotiations). It reiterated that the NCQG must be delivered via provision of public finance in a grant-based or concessional manner to address macroeconomic constraints of developing countries. (During the AHWP meeting, Argentina for the G77 and China had voiced common messages from the Group (see Update 8).)

Saudi Arabia, for the **Arab Group**, expressed disappointment with the latest iteration of the Co-Chairs' input paper, referring to it as being imbalanced and comprising views largely of developed countries. It presented guidelines to the Co-Chairs for the next version of their input paper. It said the overarching principles (as regards the input paper) included removing redundancies; removing elements which were outside the scope and mandate (for the NCQG negotiations) and which were misaligned with principles and provisions of the UNFCCC and its Paris Agreement (PA), including discussions around contributor base, recipient base and Article 2.1(c) of the PA; removing elements that were redundant or no longer relevant; and removing elements that called for guidance on how to set the NCQG because it was time to set the NCQG. (Article 2.1(c) of the PA refers to "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".)

It also underscored the importance of not trying to change the PA itself through the NCQG. It referred to a quantum of $1.1 trillion per year from developed countries to developing countries for the NCQG, not including arrears of the $100 billion goal (per year from 2009, for the old finance goal). It said it was open to updating the $1.1 trillion figure based on the 2nd Needs Determination Report (being prepared under the UNFCCC's Standing Committee on Finance) of developing countries, which should be available by October this year.

Saudi Arabia said in 2022, government expenditure of Annex II countries (under the Convention) had reached $13 trillion. It said that 3.4% of the amount would be $441 billion, which represented 0.8% of the GDP of Annex II countries. It also said that if $1 would mobilise $1.50, that would deliver the $1.1 trillion to cover the cost of NDCs that were costed. So, the ask from developed countries was to provide less than 1% of their GDP to mobilise the $1.1 trillion per year. It also provided guidance on where the revenues for the $441 billion could be generated. "We realise military emissions represent 5% of historical emissions and one potential idea is to tax defence companies in developed countries. Financial transaction taxes can also generate a lot of revenue as well."

It said that developing countries were not begging for money, adding that "there are obligations defined in the Convention and its PA" and "we are here to define those obligations". It also said developing countries were being told to be ambitious and transform economies at scale and speed due to the urgency of climate change, but their socioeconomic realities were being ignored and there was no such urgency on delivery of means of implementation (MOI) to developing countries. Saudi Arabia added that finance was easily mobilised at the scale of trillions from public funds for Covid-19, as well as swift approvals by legislative bodies to fund conflicts, but on NCQG, even after three years of discussions, developing countries had not heard once of any concrete proposal on what the quantum would be from developed countries.

It also expressed disappointment that the focus of discussions was not the quantum of the NCQG. To arguments of developed countries on delinking the NCQG from the Convention, it said it did not understand that reasoning, especially since the mandate of the NCQG came from a COP decision (1/CP.21, which adopted the PA), and added that it felt like another attempt by developed countries to dilute their responsibilities. It referred to an old version of Article 9 (of the draft PA while it was being negotiated) where developed countries had tried to dilute their responsibilities back then too but were not successful, since the PA mandated that developed countries shall provide finance to developing countries. "Are we opening up the PA? If that is the case, let us stop discussing the NCQG and start discussing what articles can be added to the PA," retorted Saudi Arabia.

It also called for a stronger reflection of dis-enablers of climate finance in developing countries. It referred to the carbon border adjustment mechanism (CBAM) and said the tax would reduce just 0.1% of global emissions but would cost developing countries $6 billion in lost income, whereas developed countries were set to gain $3 billion. It also referred to "substantial subsidy packages that exist in the world that are set to increase economic output for all sectors within one country from $150 billion to $490 billion, while decreasing economic output for all sectors in large parts of developing countries by $90–350 billion". It said the idea of reverse flows (from developing to developed countries) must be discussed further as a dis-enabler of climate action for developing countries.

Expressing frustration, Saudi Arabia said developing countries were committed to climate action with or without the PA. "If we continue to be left alone as developing countries, have targets imposed on us in a top-down manner, and receive no support under MOI, we have to ask ourselves why do we need the PA."

On the quantum and particularly in response to the US, Saudi Arabia said proposals had to be concrete. (The US had called for the inclusion of "from a floor of $100 billion" under quantum (see the US intervention below).) '"From a floor of $100 billion' is not quantum; it is a criterion," said Saudi Arabia. "We want to discuss the ideas from our partners on quantum. We are being gaslit and it is not a fair position to be put in," responded Saudi Arabia sharply, to applause in the room.

Egypt, for the **African Group**, stressed on the need to discuss the quantum and not just go into a narrative of what the NCQG should be. It added that it had not heard the vision of developed countries about the quantum. To references on the recipient base (as to which developing countries should receive the finance), Egypt said that while there were (countries with) special circumstances, it was not a competition as to who was vulnerable (and who was not), and called for the recipient discussion not to be portrayed as such.

On access to climate finance, it said the world was aware of access-related challenges and yet the conditional nationally determined contributions (NDCs) of developing countries had not been supported. It also said that developing countries wanted to submit ambitious NDCs but developed countries were reluctant when it came to providing support to developing countries. "From an African point of view, developed countries need to discuss the quantum which is $1.4 trillion per year, based on reports and not from thin air and is based on current NDCs," Egypt said, asking whether there was willingness to engage on it.

India, for the **Like-Minded Developing Countries (LMDC)**, urged the Co-Chairs to restore balance in their input paper and said that "despite being the most important, the quantum section appears hidden whereas those elements that are outside of the mandate were scattered across the input paper. These include references to the contributor base (as to who should contribute to climate finance), differentiation across beneficiaries, an outcome-based NCQG, top-down policy prescriptions, and a multi-layered goal". It added that the LMDC objected to the inclusion of reference to Article 2.1(c) since there was no common understanding on it. India further said that references to the international financial architecture, financial regulators, risks, disclosures and standards, credit rating agencies and international regulators were also "not within the mandate of UNFCCC and not at all in line with the mandate of the NCQG". It further provided the group's feedback on each of the sections of the input paper.

Speaking in its national capacity, India said developed countries' GDP was due to their high emissions in the past and they continued to proceed on a similar path while not having achieved the necessary emissions reductions, nor in keeping with the ambition required for climate action. It further said that the developing countries faced the consequence of historical emissions to which they had not contributed.

The **Least Developed Countries (LDCs)** and the **Alliance of Small Island States (AOSIS)** in a joint statement recalled the international recognition and commitment to address their special needs and circumstances, and presented their priorities as well as specific asks for COP 29 in the context of the NCQG. They said their priorities included reaffirming the commitments by all Parties to accelerate climate action within this decade, based on the best available science, equity and the principle of CBDR and respective capabilities (CBDR-RC), in the light of different national circumstances, including transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner. They also called for the reaffirming of commitments by all Parties to undertake rapid emissions reductions in accordance with the best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases well before 2050, and for the NCQG to support all developing countries in effectively implementing the PA, within the context of these commitments.

They said that the NCQG must, "at a minimum, include loss and damage response alongside mitigation and adaptation as respective sub-goals". They also called for climate finance to be "new and additional to any finance classified as official development assistance (ODA) and other official flows (OOF) and finance committed under other international regimes, as opposed to retagged or repurposed ODA, OOF and finance committed under other international regimes, and recognising that all these types of finance and assistance need to be scaled up respectively in their various contexts".

Their specific asks also included: the need for scaled-up financial resources and targeted provision to LDCs and Small Island Developing States (SIDS) to meet their needs, and based on the best available science; ensuring efficient and effective access to financial resources, in particular for LDCs and SIDS; need for all channels (i.e., bilateral, regional and multilateral channels) to undertake specific measures to enhance access, which could include creating minimum allocation floors for them, standardising and prioritising direct access, ensuring that concessionality levels take into account their levels of debt sustainability; financial resources provided and mobilised for adaptation, and loss-and-damage response shall be primarily public and grant-based resources with the highest level of concessionality given to LDCs and SIDS; transactions for readiness support and transparency support shall be solely public and grant-based resources, in particular for LDCs and SIDS; transparency arrangements must require disaggregation of data or information provided to or mobilised for SIDS and LDCs, including for instruments.

They also stressed the need to address systemic inequities such as high cost of capital, high transition costs, capacity constraints, and indiscriminate assumptions of corruption, which impact access for developing countries, in particular LDCs and SIDS; the importance of cost of capital being well below medium-term growth rates of their countries; and the need for all LDCs and SIDS to be included in the G20's "Common Framework for Debt Treatments Beyond the Debt Service Suspension Initiative" and to expand debt suspension to also include debt relief, debt forgiveness and debt-servicing assistance.

Brazil, for **Group SUR (Argentina, Brazil, Uruguay and Paraguay)**, called for real progress on substantive matters such as quantum, qualitative elements, access and definition of climate finance. It added that the Co-Chairs' input paper comprised several suggestions that were not in line with the "legal framework of the UNFCCC and its PA". "We want a goal that is clear, concrete, consistent with the PA and its principles. We want a goal that can make a real difference in the world and not impose additional burdens on developing countries," said Brazil further, adding that they needed to hear from developed countries on how much they were able to contribute based on their historical responsibility and evolving needs of developing countries.

Venezuela, for the **Bolivarian Alliance for the Peoples of Our America (ALBA)**, said developed countries must take the lead in providing financing and MOI to developing countries, adding that the NCQG must have reference to the negative impact of unilateral coercive measures, since the adoption of the goal would have a strong impact on people, economies and development.

Colombia, for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, spoke about the urgency of climate action and being "burned" with "flames of indifference" by "those who care very little about us". It said climate finance was not flowing to developing countries and that the NCQG was for developing countries. The group urged the Co-Chairs to restore balance to the input paper and stressed the importance of discussion about the quantum.

China reiterated the mandate of the NCQG several times during the discussions to make clear that it was developed countries' obligation to deliver the goal for developing countries. It said that developed countries had failed to achieve the $100 billion annual target for 14 consecutive years, adding that "this persistent shortfall has deeply disappointed developing countries and demonstrates a lack of willingness by developed countries to fulfil their commitments". It also said that it had heard developed countries emphasise that they would take the lead, but "without providing the necessary financial commitments, it is unclear how this leadership can be effectively demonstrated. We would like to understand how leadership can be shown without fulfilling the financial obligations".

Pointing to the hypocrisy of developed countries, China further said, "Over the past 200 years, developed countries have sacrificed the Earth's environment to become developed countries. But 200 years later, you undermine the free market economy you endorsed by imposing high tariffs on new energy products from developing countries, hindering the planet's recovery. You committed financial support to help developing countries address climate change, asking us to join the Convention and agree to Article 4 [of the Convention]. But 30 years later, you propose that developed countries can contribute voluntarily, while redefining yourselves, the wealthy ones, as recipients."

It said further that 15 years ago, developed countries had pledged to mobilise $100 billion in Copenhagen; however, now they "proudly present a problematic report [by the Organisation for Economic Cooperation and Development], full of loans that increase the burden on developing countries and repackage existing bilateral aid as part of fulfilling commitments".

It also stressed that when developed countries signed the PA, they reaffirmed their financial obligations under Article 9. "However, 10 years later, they selectively highlight articles from the PA, in an attempt to evade their obligations." It added, "In the past few days, we have felt that we are not engaging with honest and committed developed countries. Instead, we have been dealing with a few insincere and self-serving nations that have no intention of honouring international treaties."

It also asked developed countries to "please stop claiming" to "care about the 1.5°C target", as by "acknowledging commitments, yet failing to fulfil them and refusing to pay for the loss and damage", developed countries were expecting the "victims to bear the burden". "The term disappointment can no longer capture the feelings of developing countries. Shocking has become the new norm," emphasised China.

China though exempted countries such as Norway, France, Sweden, Denmark, Germany, Switzerland, Luxembourg and the Netherlands, who it said exceeded "their fair share of support" to developing countries in 2022. "My previous remarks are not for you, as you give the world hope," said the Chinese representative, further urging Parties to "bring hope to the world, not shame".

Switzerland, for the **Environmental Integrity Group (EIG)**, disagreed that discussions on the contributor and recipient base and Article 2.1(c) were outside the mandate of the NCQG. It said it had heard a number of commonalities and convergence among Parties. One commonality, it said, was on the principle that the goal should support developing countries in implementing the PA and therefore should take into account their needs and priorities. It said there was also convergence that the context should include Article 2.1(a) (on the temperature goal) and 2.1(b) (on the global goal on adaptation), but that there was divergence on Article 2.1(c) (on aligning financial flows). It further noted convergence around building on previous decisions on the NCQG consistent with obligations of Parties under the PA and on the goal reflecting the principle of country driven-ness.

It said further that international public action should be at the core of the goal. It pointed to access challenges of population groups and countries which were highly vulnerable and had capacity constraints, in particular LDCs and SIDS, saying that access should be improved and simplified for all developing countries, with a need for harmonised access procedures. On transparency arrangements, Switzerland said it had heard about common elements around the collective tracking of progress and the use of the existing Paris architecture which should serve as the basis for this collective tracking, including the Enhanced Transparency Framework, Article 9.5 (of the PA) and the role of the Standing Committee on Finance.

The **European Union** expressed discomfort at the multiple references to the Convention and its principles but did not ask them to be taken off at this stage. It said inclusion of broad financial flows was a top priority for the EU, and noted the importance of improving access of bilateral and multilateral finance particularly for LDCs and SIDS. On the quality of finance, it said quality was related to efficiency and effectiveness and there was a need to keep qualitative and quantitative elements together. The EU said it did not see the need for the NCQG to have loads of language on principles. On the contributor base, it said that the discussion had never left the table. "Just as the needs and priorities are evolving, and are dynamic, the same is true for the responsibility, economic capability, and the ability to contribute. Development is a dynamic concept, it is not static." On the recipient base, it said it would be very useful to "support the most vulnerable countries and those with the greatest need".

Australia suggested ideas for the informal note to be streamlined and suggested that discussion on the contributor base was part of the mandate. Responding to calls by developing countries to the Co-Chairs to not include anything that was not part of the mandate, it said it was not comfortable with the Co-Chairs judging what was and was not part of the mandate. It expressed disappointment over the course of the discussions, which it said "had been a game of wordcount … they will not be able to land in Baku if Parties' positions on the mandate were a tug of war". It said discussion on quantum was dependent on structure, timeframe and the breadth of the contributor base of the NCQG. It suggested to the Co-Chairs to present less text but not less substance, where everyone's proposals could be presented holistically as distinct proposals.

The **United States** said that in this critical decade, the investments required to reach the shared goals ran well into the trillions of dollars and Parties needed to be serious and ambitious about responding to the needs globally, taking into account all sources of finance, viz., international, domestic, public and private. It said it was clear that Parties needed to draw on the widest sources of finance, including an expansive base of contributors. It further said that the world had changed dramatically since 2009 when the $100 billion goal was adopted "voluntarily by a group of Parties who wanted to show their commitment to supporting others".

The US said it saw a multilayered goal and stressed that the goal was relevant to Article 2.1(c) of the PA. On the quantum, it said that it would like to see the mention of "from a floor of $100 billion". Alluding to Saudi Arabia's intervention, the US expressed "less sympathy" for questions of "why we need the PA" and clarified that the NCQG was to fulfil the goals of the PA and that the goal should be fit for purpose and address all aspects of the PA, "not just Article 9". Referring to the input paper of the Co-Chairs, the US said it needed to be balanced and found several elements missing, and requested a more "healthy iteration" the next time.

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Breakthrough but a mountain to climb on adaptation

Kuala Lumpur, 27 June (Eqram Mustaqeem) – The climate talks in Bonn that ended on 13 June bore witness to a gruelling 10 days of adaptation negotiations encompassing the global goal on adaptation (GGA), national adaptation plans (NAPs), the Nairobi work programme (NWP) and the review of the Adaptation Committee (AC) and its report.

The GGA negotiations in particular were notably contentious, as developed and developing countries were staunchly divided on the inclusion of matters on the means of implementation (MOI), the principle of common but differentiated responsibilities (CBDR), references to the Paris Agreement (PA) and the Convention in the draft texts, and on the key issue of how the modalities on the development of indicators as part of the two-year UAE-Belem work programme (UBWP) would look like.

Below are some highlights of what transpired at the Bonn talks.

Global goal on adaptation

Parties had come to the 60th sessions of the UNFCCC's Subsidiary Bodies (SB 60) knowing that time was not on their side, and that modalities on the indicators for the GGA targets needed to be agreed to in Bonn if they were to have any chance of fulfilling the UBWP mandate by having a final set of indicators by COP 30 in Belem, Brazil. Thus, whilst negotiations progressed slowly at the start due to disagreements, the time crunch birthed a spirit of compromise between Parties that culminated in the successful launch of work on the development of the GGA indicators. Pedro Pedroso Cuesta (Cuba) and Tina Kobilšek (Slovenia) were the co-facilitators of the informal consultations on the GGA.

(The GGA entails the development of indicators under the two-year UAE-Belem work programme for measuring progress achieved towards the thematic and dimensional targets adopted by decision 2/CMA.5 under the UAE Framework for Global Climate Resilience at CMA 5. 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. A final set of indicators for measuring progress achieved towards the targets must be decided between Parties upon the conclusion of the work programme at COP 30 in Belem.)

A point of major contention at the start of the negotiations was over how the indicators for the targets for the GGA would be developed. Developing countries wanted a structured "expert"-led process while developed countries wanted the existing Adaptation Committee to play a greater role without creating any new body of experts.

Following much wrangling in late-night negotiations and even a last-minute make-or-break huddle which saw huge concessions by developing countries on their minimum ask for an ad hoc expert group relegated for consideration in "footnote 4", Parties reached consensus on the modalities of the work programme on how work would progress in the development of the indicators in the final conclusions adopted at the closing plenary of the SBs. Below are some highlights of the modalities agreed to.

According to paragraph 9, "The SBSTA [Subsidiary Body for Scientific and Technical Advice] and the SBI [Subsidiary Body for Implementation] invited Parties and non-Party stakeholders … to submit via the submission portal by 31 July 2024 information on existing indicators for measuring progress towards the targets referred to in paragraphs 9–10 of decision 2/CMA.5 in use at the local, national, regional and global level, including, if available, information on associated methodologies and data readiness for such indicators, as well as identified gaps and areas for which the development of new indicators may be needed."

Paragraph 10 sets out that "The SBSTA and the SBI requested their Chairs to prepare, with the support of the secretariat, in collaboration with relevant United Nations organizations and specialized agencies, and with contributions from relevant constituted bodies, a compilation and mapping of existing indicators relevant to measuring progress towards the targets…, including information on areas potentially not covered by existing indicators, in advance of the workshop referred to in paragraph 22 … taking into account the submissions referred to in paragraph 9 … and the sources of information under the UAE Framework for Global Climate Resilience referred to in paragraph 15 of decision 2/CMA.5."

According to paragraph 12, "The SBSTA and the SBI also agreed that the mapping referred to in paragraph 10 above may consider:

(a) The relevance of the indicators to measuring progress towards one or more of the targets …;
(b) The specific relevance of the indicators to adaptation, including enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change;
(c) Whether quantitative and/or qualitative information applies to the indicators;
(d) Data availability for the indicators;
(e) The ability of the indicators to reflect regional, national and local circumstances;
(f) The applicability of the indicators across different contexts;
(g) The ease of interpretation of the indicators;
(h) The clarity of methodologies associated with the indicators;
(i) The ability of the indicators to be aggregated across levels and disaggregated by demographic and socioeconomic characteristics, such as vulnerability, gender, age, disability, race, socioeconomic status, and status as Indigenous Peoples, as appropriate and depending on national circumstances;
(j) The indicators' basis on the best available science;
(k) The indicators' basis on traditional knowledge, Indigenous Peoples' knowledge and local knowledge systems;
(l) That the indicators should not be used as a basis for comparison between Parties."

On the role of the AC, via paragraph 13, "The SBSTA and the SBI invited the Adaptation Committee to prepare a contribution to the compilation and mapping referred to in paragraph 10 above by identifying information on indicators reported by Parties in their national reports and communications in the context of the work…."

On the role of the technical experts, via paragraph 14, "The SBSTA and the SBI requested their Chairs to convene technical experts to assist in the technical work under the UAE-Belem work programme, including reviewing and refining the compilation and mapping of existing indicators … and, as needed, developing new indicators for measuring progress achieved towards the targets…."

In paragraph 15, "The SBSTA and the SBI agreed that the technical experts referred to … should have relevant qualifications and expertise related to the targets … and that experts shall serve in an independent capacity."

As per paragraph 21, "The SBSTA and the SBI agreed to take stock of the work under the work programme, including the assessment of areas not covered by existing indicators and, as needed, the development of new indicators, at SB 61, 62 and 63 (November 2025) with a view to informing the decision on the UAE-Belem work programme at CMA 7 [2025]."

According to paragraph 22, "The SBSTA and the SBI requested their Chairs to organize, with the support of the secretariat, a hybrid workshop for Parties and the technical experts…, following the completion of the mapping referred to in paragraph 10 above and prior to CMA 6 (November 2024), with the aim of: (a) Facilitating expert review and refinement of the mapping referred to in paragraph 10 above; (b) Enabling a dialogue between Parties and the technical experts … on the mapping and providing an opportunity for the technical experts to clarify the methodologies and assumptions used in refining the mapping; (c) Providing Parties with the opportunity to reflect on the outcome of the mapping and on progress in the work on indicators in preparation for CMA 7."

Paragraph 28 (which was previously paragraph 27) was agreed to following a last-minute huddle by developing countries and was a compromise. (See further details below.) It reads, "The SBSTA and the SBI agreed to consider additional work by the technical experts…, and associated modalities [this is followed by reference to footnote 4], at SB 61 with a view to making a recommendation on this matter for consideration at CMA 6." Footnote 4 reads, "Including the consideration of the Adaptation Committee and/ or an ad hoc expert group and/or expert groups, without prejudging the outcome of negotiations at CMA 6."

Further, paragraph 32 reads, "The SBSTA and the SBI took note of the views expressed by Parties at these sessions…, and in relation to other considerations [this is followed by reference to footnote 5], which may be considered at SB 61, as appropriate, recognizing that these views do not capture those of all Parties and do not represent consensus." Footnote 5 reads, "See the informal note prepared by the co-facilitators for this agenda item, including the chapter titled 'Other Considerations', available at https://unfccc.int/documents/639575)."

Now that Parties have reached consensus on the modalities of the work programme, work towards the development of the indicators can finally begin. However, at SB 61 and CMA 6 in Baku this November, contention over developing countries' demand for an ad hoc expert group will be revisited and it remains to be seen whether developed countries would finally agree to it.

Consensus achieved through compromise

The third iteration of the draft decision text issued by the co-facilitators was released at 8.25 pm on 12 June (just one day before the closing of SB 60), with informal consultations beginning at 11.00 pm the same night and with a request to Parties to show maximum flexibility on the bracketed text (denoting lack of agreement) mainly on the nature of the expert group.

To much surprise, the initial strong resistance of developed countries on the inclusion of MOI in the text was somewhat reduced, with only **Japan** and **Australia** voicing opposition to its inclusion in paragraph 3. The **United States**, **Canada** and the **European Union** instead focused their concerns on the modalities of the work programme, especially on paragraph 13, further questioning the legality of whether the SBs had the authority to establish an ad hoc group.

(Paragraph 13 contained two options in brackets: "The SBSTA and the SBI requested their Chairs to [form, at their discretion, an informal ad hoc technical expert group][convene a meeting of technical experts]….")

Samoa for the **Alliance of Small Island States (AOSIS)**, **Colombia** for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, **Brazil** for **Group SUR (Argentina, Brazil, Uruguay and Paraguay)**, **Sudan** for the **Least Developed Countries (LDCs)** and **Botswana** for the **African Group** all stated their preference for the informal ad hoc technical expert group, with assurances to the developed countries that the intention was not to create a formal permanent body, as suggested by the title "ad hoc" itself. As to the issue of the SBs' authority, the legal counsel from the secretariat clarified that the SBs did not establish bodies unless asked by Parties and that there had been a precedent of forming an ad hoc technical expert group at SB 46.

The other issue was on the "relevant principles and provisions" of the Convention and the PA in paragraph 29, which the **US** and **Japan** wanted removed and the **EU** wanted streamlined and captured in a footnote. This was strongly opposed by **China** for the **Like-Minded Developing Countries (LMDC)** and **Saudi Arabia** for the **Arab Group**, who argued that it was already the agreed language of decision 2/CMA.5.

With no consensus in sight at midnight, Parties requested another working slot. In the morning of the final day of negotiations on 13 June, the co-facilitators streamlined the text based on the interventions made by Parties and shared the streamlined text known as "Non-Paper version 13/06/2024 10.25AM" for consideration.

There were, however, still two disagreements between the developed- and developing-country Parties on that specific text. Firstly, the previous paragraph 29 on principles and provisions of the Convention and the PA had been completely dropped, with the co-facilitators proposing bridging language only saying "recalling preambular paragraph 6 of decision 2/CMA.5" without spelling it out, thus being silent on the principles and provisions (this was learnt to be the US' proposal).

The other issue was in relation to paragraph 27 which was originally drafted as, "The SBSTA and the SBI agreed to consider additional work by the technical experts…, and associated modalities, at SB 61."

Uganda, for the **G77 and China**, requested that paragraph 27 be rephrased as follows: "The SBSTA and SBI agreed to consider additional work by the technical experts … and the associated modalities including the consideration of establishing an ad hoc expert group on the UAE-Belem work programme as appropriate at SB 61." It also requested that an additional preambular paragraph be added on "Recalling relevant provisions and principles of the Convention and the PA".

Shortly after, the **US** proposed its version of paragraph 27: "The SBSTA and the SBI agreed to consider at SB 61 a recommendation to the CMA regarding future expert input for consideration and adoption at its sixth session." Its justification for this was that it would allow Parties to reflect on the work that had been conducted and then be able to provide recommendations as the SBI and SBSTA to the CMA to set further work for 2025.

The premise on which the G77 and China made its suggestion on paragraph 27 was to open the possibility of establishing an ad hoc expert group at SB 61, whilst the US proposal was intended to prevent such a possibility.

The US also said that the suggested preambular paragraph on recalling provisions of the Convention and the PA should be worded as "The SBSTA and SBI recalls the sixth preambular paragraph of 2/CMA.5" as suggested by the co-facilitators, instead of the wording suggested by the G77 and China. However, it was willing to accept this specific wording in the preamble on condition that its suggestion on paragraph 27 regarding future expert input be accepted. The **United Kingdom** and **Australia** echoed the US' suggestions.

China, for the **LMDC**, stated that the group did not want to see any compromise on the language of the Convention and the PA in the text, and hence called for the full text as mooted by the G77 and China, as it was important to highlight the different responsibilities between developed and developing countries especially at this point of time where there was a large adaptation gap due to the lack of support given to developing countries by the developed-country Parties. The group also supported the paragraph 27 wording suggested by the G77 and China.

Strong views on reflecting the principles of the Convention and the PA in the preamble were similarly shared by **Saudi Arabia** on behalf of the **Arab Group** and **Kenya**.

The **UK**, **Colombia** for **AILAC** and **Brazil** for **Group SUR** called for a huddle to deal with the suggestions made by the US. According to a negotiator who was in the huddle, the Arab Group and the LMDC were the strongest opponents of suggestions to water down any reference to the PA and the Convention, which convinced the G77 and China that they should not compromise on it.

Colombia, reporting back on the huddle, read the compromise preambular text agreed upon between the G77 and China and the developed countries: "The SBSTA and SBI recalled preambular paragraph 6 of decision 2/CMA.5, which recalls relevant provisions and principles of the Convention and the PA."

On paragraph 27, the wording suggested was as follows: "The SBSTA and the SBI agreed to consider additional work by the technical experts…, and associated modalities, at SB 61, with a view to making a recommendation on this matter to the CMA for consideration by CMA 6." Further, the following footnote was suggested to be added after the word "modalities" in the previous sentence: "including the consideration of the Adaptation Committee and/or ad hoc expert group and/or expert groups, without prejudging the outcomes at CMA 6."

The proposal read out by Colombia signified a consensus and marked the end of the GGA negotiations at SB 60, with the agreed modalities enabling the start of work on the development of indicators.

(The final, agreed-upon version of paragraph 27 is incorporated as paragraph 28 in the GGA final conclusion text.)

Whilst Parties still have a mountain to climb in terms of getting those indicators finalised, it was a breakthrough moment for the GGA that would not have been reached but for the compromise shown by both developing- and developed-country Parties.

National adaptation plans

In the informal consultations, Parties reflected on the LDC Expert Group's report on progress towards the formulation and implementation of NAPs, and gave suggestions and highlighted challenges of gaps and needs to better improve the NAP process as a whole.

From the get-go, developing countries were strong and united in voicing their concerns on the lack of support and MOI for the development of their NAPs, with all sub-groups of the G77 and China making explicit mention of the need for more support and MOI for the NAPs, which was later reflected in the draft text of the co-facilitators released on 10 June. The co-facilitators of the informal consultations on NAPs were Antwi Boasiako Amoah (Ghana) and Jens Fugl (Denmark).

On 11 June, **Fiji**, on behalf of the **G77 and China**, welcomed the co-facilitators' draft text, stating that it reflected most of the elements proposed by developing countries and wanting it to be forwarded to SB 61 in Baku to be used as the basis of negotiations, with the remainder of the Bonn session devoted to focusing on the draft conclusion text.

This view was echoed in separate interventions made by **Ghana** for the **African Group**, the **Dominican Republic** for **AOSIS**, **Kuwait** for the **Arab Group**, **Brazil** for **Group SUR**, **China** for the **LMDC**, **Gambia** for the **LDCs**, **Panama** for **AILAC**, **Grenada**, **South Africa**, **India** and **Egypt**. In essence, the entirety of the developing world was supportive of the text and wanted it to be brought to SB 61 as the basis for negotiations.

The developed countries, in direct contrast, voiced their displeasure over the draft text and did not want to use it as a basis of negotiations at SB 61. The **US** claimed that the text was "incredibly unbalanced" and exceeded the mandate of the assessment of the NAP process, whilst stating its preference for the previous iteration of the text to form the basis of engagement. The view of not wanting to engage with the text was repeated by **Japan**, the **EU** and **Australia**.

However, due to the strong push by all the developing countries in wanting the draft text to be made the basis of negotiations at SB 61, the **US** requested for the current text to be streamlined as a convergence text that only included elements that Parties had converged upon. This proposal was not agreed to by **Fiji** for the **G77 and China**, who insisted on having this version of the text as the basis of discussions instead of drafting a new, streamlined version.

On 12 June, the final day of the NAP informal consultations, the **US** was still insistent on not having the draft text as the basis of negotiations at SB 61 and suggested that the text be considered as an informal note instead of a draft text. This suggestion was supported by **New Zealand**, **Japan**, **Australia**, the **EU**, **Norway** and **Canada**.

Fiji, for the **G77 and China**, reiterated its position on having the 10 June draft text as the version to be forwarded to SB 61 to form the basis for negotiations, and indicated that any compromise that it made would be a compromise of more than 100 countries. It said the developed countries were objecting to the draft text because of its inclusion of MOI.

In the spirit of compromise, the G77 and China conceded and stated its acceptance for the draft text to be considered as an informal note in the draft conclusion text.

After the G77 and China accepted the compromise, the **US** tried to extract more concessions, suggesting that the conclusion text be copied to a new document with the now informal note being included only as a footnote in the new draft conclusions document. It stated that this was only an administrative edit that did not affect the substance of what had been agreed upon.

Fiji for the **G77 and China**, **China** for the **LMDC**, **Saudi Arabia** for the **Arab Group**, **Ghana** for the **African Group**, **Brazil** for **Group SUR**, the **Dominican Republic** for **AOSIS** and **Gambia** for the **LDCs** all expressed their extreme disappointment on this continuous extraction of concessions and the uncompromising spirit of the developed countries. Many also pointed out that it was always the developing countries that were expected to compromise, even to the extent of over-compromising to the developed countries.

In the end, the **G77 and China** accepted the suggestions made by the **US**, which was reflected in the final language in paragraph 4 of the draft conclusions text: "The SBI took note of the informal note prepared by the co-facilitators for this agenda item at this session. It decided to continue further consideration of this agenda item at SBI 61 (November 2024), taking into consideration, in particular, this informal note, with the aim of recommending a draft decision for consideration and adoption by the Conference of the Parties at its twenty-ninth session (November 2024)."

Once again, the negotiations on NAPs at Baku will prove an uphill task and a mountain to climb.

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Developing countries call for addressing negative impacts of unilateral measures

Kuala Lumpur, 27 June (Hilary Kung) – The recently concluded climate talks under the 60th sessions of the UNFCCC's Subsidiary Bodies (SB 60) in Bonn agreed on the conclusions on carrying the work forward on the "response measures" agenda (which refers to the impacts of the implementation of mitigation measures taken by Parties).

The conclusions agreed to in Bonn took note of a non-paper prepared by the Co-Chairs of the contact group, Xolisa Ngwadla (Botswana) and Maria Samuelsen (Denmark), on 10 June.

A significant aspect of the non-paper involved a proposal by developing countries, led by the G77 and China, to include two new activities to address the negative impacts of unilateral measures. (See further details below.)

Unilateral measures have been a contentious subject of discussion since the beginning of the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI)'s work plan in 2020. (See https://www.twn.my/title2/climate/news/Dubai01/TWN%20update%2019.pdf.) Developing countries want the issue of unilateral measures such as carbon border adjustment mechanisms (CBAMs) to be addressed, given their potential adverse impacts on developing countries, as flagged in two reports by the United Nations Conference on Trade and Development (UNCTAD) – one on the implications for developing countries and the other on the Least Developed Countries (LDCs). Negotiations had however been tough, with continued opposition by developed countries against any attempts from developing countries to discuss the possible negative effects of trade-related climate measures with cross-border impact.

In Bonn, Parties initiated the development of the five-year work plan of the forum on the impact of the implementation of response measures and its KCI, with submissions from Parties on potential new activities to be included in the work plan. (Last year, in Dubai, it had been decided that the response measures forum shall develop and recommend a five-year work plan, taking into account relevant policy issues of concern to Parties, for consideration and adoption by SB 61 in Baku in November 2024. The KCI was established in Katowice, Poland, in December 2018 to support the work programme of the forum.)

Late into the night of 12 June (a day before the closing plenary on 13 June), the Co-Chairs of the contact group reported that no consensus could be reached on the way forward and closed the final session at about 11.30 pm, saying that they would report this to the SB Chairs. A key contentious issue which saw a clear divide between developed and developing countries was over paragraph 4 of the draft conclusion text, which centred on the procedural aspects of how to capture the progress of this session and to take it forward to Baku at the next SB session.

Developed countries wanted only a procedural conclusion and did not agree to forward the non-paper prepared by the Co-Chairs, while developing countries, led by the G77 and China, wanted the non-paper to be taken into account for further consideration at SB 61, to ensure that the work done in Bonn was not in vain. The non-paper saw new activities being proposed by developing countries to address the adverse impacts of trade-related unilateral measures.

Sources informed the Third World Network that Parties finally reached consensus on the conclusions right before the closing plenary, "taking into account the non-paper prepared by the co-chairs for this agenda item at these sessions available on the UNFCCC website, with a view to recommending a draft decision on the matter for consideration and adoption" in Baku.

New activities proposed to address the negative impacts of unilateral measures

At the start of the informal consultations in Bonn, the Co-Chairs had proposed to focus the session on developing a draft work plan of the forum and its KCI, while also dedicating some time to allow Parties to reflect and provide some guidance to the secretariat on the dialogue. (Last year, the Dubai decision requested the secretariat to organise a two-day global dialogue on the impacts of the implementation of response measures in conjunction with intersessional meetings of the KCI in 2024 and 2025.)

During the meeting on 7 June, Parties were seen proposing new activities. A non-paper prepared by the Co-Chairs on 8 June saw a listing of 88 activities, of which 60 were new activities submitted by Parties. The long list of 88 activities was then streamlined into a list of 60, as seen in the final non-paper of 10 June.

Developing countries proposed activities that will help them analyse, assess and report on the negative impacts of the implementation of response measures and also build their capacity in promoting just transition of the workforce and the creation of decent work and quality jobs. Developed countries, in contrast, proposed activities that generally focused on the positive impacts and the co-benefits of ambitious domestic mitigation policies in the energy sector.

Saudi Arabia, for the **G77 and China**, proposed two new activities on trade-related unilateral measures, which made it into the 10 June final version of the non-paper.

One activity, under the section on "Assessment and analysis of impacts of the implementation of response measures, with some elements of capacity-building through awareness creation and exchange of experience", reads, "Analyze, assess, report on addressing the negative impacts of unilateral measures, including on the just transition of the workforce, creation of decent work, quality jobs, in achieving economic diversification and transformation", with a comment that "Some Parties are of the view this activity is out [of] the scope".

The proposal also comes with two alternate texts which read, "Identify country-driven strategies and best practices on addressing the impacts of unilateral measures, including on the just transition of the workforce, creation of decent work, quality jobs, in achieving economic diversification and transformation" and "Identify tools, and methodologies to address impacts of implementation of response measures, including unilateral measures to help the development of strategies and pathways for JT [just transition] in developing countries".

Another proposal from the **G77 and China** on unilateral measures was combined with a **Russian Federation** proposal which reads, "Assessing and analyzing the impacts of carbon pricing policies, including multilateral coordination initiatives, on social and economic development, with a view to minimizing the negative and maximizing the positive impacts." However, **China** noted that the term "cross-border impact" was removed from the streamlined version.

The **European Union** called for the deletion of the activities on unilateral measures proposed by developing countries, saying that unilateral measures were no different from any type of measure by definition used to combat climate change. This was echoed by the **United States**.

A divergence of views on the streamlined table

Reacting to the 8 June version of the non-paper released by the Co-Chairs, **Saudi Arabia**, for the **G77 and China**, suggested streamlining the list as a way forward. It also stated its general view that there should be more focus on addressing the negative impacts of implementation of mitigation policies and actions, as "looking at how to address the negative impacts will help us move towards our goals, not only on co-benefits". It also reiterated the need to minimise the negative and maximise the positive impacts of the implementation of mitigation policies and actions. This sentiment was echoed by other developing countries including **Ghana** for the **African Group**, **Kuwait** for the **Arab Group**, **Chile**, **South Africa**, **China** and **India**.

A total of 20 new activities were proposed by **Canada**, the **EU**, the **US** and the **United Kingdom** focusing only on the positive impacts and co-benefits of the implementation of response measures or aspirational and ambitious mitigation policies, citing paragraph 28 of the first global stocktake (GST) outcome from Dubai last year. (Paragraph 28 relates to global mitigation efforts, including the transitioning away from fossil fuels.)

The **EU** proposed 12 activities on building awareness of the co-benefits, exchanging experiences and best practices in maximising the positive impacts and identifying, assessing and analysing the impacts of the implementation of response measures around four main themes: (1) health; (2) intergenerational equity, gender considerations and the needs of Indigenous Peoples and local communities, youth and other people in vulnerable situations; (3) human rights; and (4) biodiversity and pollution.

The **UK** proposed a new activity to "Facilitate, exchange and share experiences and best practices in the assessment of the environmental, social, economic and health co-benefits of aspirational and ambitious mitigation policies implemented in order to achieve the GST outcomes…", including that referred to in paragraph 28. In a similar vein, **Canada**'s proposal laid out the details to assess and analyse the positive impacts in relation to paragraph 28 of the GST decision.

China said many countries including itself were concerned with the negative impacts of unilateral measures. It recalled the mandate from paragraph 154 of the GST decision that unilateral measures "should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade". With regard to the positive and negative impacts of the implementation of climate actions, it said there was a need to prioritise as Parties came here to address the negative impacts of policies and actions to reduce resistance to climate actions and improve the efficiency of achieving the Paris Agreement goals.

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

The Co-Chairs subsequently released a new iteration of the non-paper dated 10 June which saw a streamlined table, reduced from 88 to 60 activities.

On 11 June, with just two days left before the closing plenary, **Canada**, the **EU**, the **US** and the **UK** said that the 10 June version failed to reflect the activities they had put forward. Canada commented that the table did not reflect the activities it put forward, in particular on coal phase-out, ocean-based mitigation, transition away from fossil fuel and fossil fuel subsidies. Canada, the EU and the US also said that they could not agree with the inclusion of paragraph 154 from the GST decision in relation to unilateral measures.

With much wrangling among Parties, the negotiations appeared deadlocked and several Parties were seen suggesting some possible way forward in trying to find consensus so as to capture the progress of work in Bonn and not allow the discussions to be in vain.

On the morning of 12 June, the **US** proposed three options: (a) forward the earlier 8 June version (which was the compilation of all 88 activities) to Baku for further work; (b) nothing would be forwarded to Baku; or (c) edit the streamlined table (10 June version) to make sure all the proposals from the EU and others were reinserted into the list. This was echoed by **Switzerland**, **Canada**, the **EU** and the **UK**.

Honduras then suggested allocating some time for Parties to huddle to find convergence. The huddle resulted in a proposal to merge both tables (8 June and 10 June versions) into the same document and forward it as an informal note for further consideration in Baku.

When Parties reconvened the contact group in the afternoon of 12 June, the **US** came in very strongly and suggested deleting the phrase "taking into account the non-paper prepared by the Co-Chairs". This was supported by the **EU**.

Saudi Arabia, for the **G77 and China**, reacted strongly that the Group had addressed the concerns and had compromised, adding that the "merged tables" came after multiple compromises from the G77.

Ghana, for the **African Group**, also expressed its disappointment. **Kenya** said the Co-Chairs had done what was possible but there was no willingness on the part of developed countries to compromise, remarking that this was like a "systematic attempt to kill the response measures track".

The Co-Chairs then closed the session and said it would report to the SB Chairs for next steps. In one last push by the Co-Chairs, a final "15-minute" contact group was convened at 11 pm, late into the night of 12 June.

The Co-Chairs proposed some options with regard to paragraph 4 of the conclusions text for Parties' consideration. After much wrangling, the adopted conclusion in this regard reads: "The SBSTA and the SBI agreed to continue work on this matter at SB 61 (November 2024), taking into account the non-paper prepared by the co-chairs for this agenda item at these sessions available on the UNFCCC website, with a view to recommending a draft decision on the matter for consideration and adoption by [COP 29]."

Some highlights of the activities proposed by developing countries, as seen in the final non-paper, are:

- "Promote the availability and use of guidelines and policy frameworks to assist Parties in promoting just transition of the workforce and the creation of decent work and quality jobs, including the development of indicators and criteria for assessing the transition of the workforce, just transition finance taxonomy and indicators to assess flow of finance to developing countries, among others."
- "Assess the global socio-economics impact of the implementation of Article 2.1c of the PA for developing countries." (Article 2.1(c) of the PA refers to "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".)
- "Country case-studies on social and economic impacts of economy-wide nationally determined contributions (NDCs) on developing countries."
- "Develop a toolbox, including standardized methodologies and reporting tool, to facilitate enhanced capacity of Parties to conduct their own assessments, analyses and reporting of impact of implementation of response measures."

Whether these proposed activities will be on the table remains to be seen in Baku.

As seen above, the issue of unilateral measures has been a contentious one since the start of the KCI's work plan in 2020. It will be a rough ride in Baku and how the proposed activities on unilateral measures feature in the new work plan will be closely watched.

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Calls for stronger collaboration between UNFCCC's Technology and Financial Mechanisms for technology development and transfer

Kuala Lumpur, 1 July (Hilary Kung) – At the recently concluded 60th sessions of the UNFCCC's Subsidiary Bodies (SB 60) held in Bonn, countries agreed to continue consideration of the linkages between the Technology Mechanism (TM) and the Financial Mechanism (FM) in Baku, Azerbaijan, and take into account the draft text on the UNFCCC website, which is in brackets, signalling a lack of consensus on the whole and for further negotiations.

The main divisions between developed and developing countries over the draft text were on issues such as: the need to have consolidated information about the results of the various mechanisms to inform discussions; financial resources needed to enhance the impact of the work of the Climate Technology Centre and Network (CTCN) and the implementation of the results of the technology needs assessments (TNAs) of developing countries; and streamlining of procedures between the two mechanisms (TM and FM), and the promotion of harmonisation between them to shorten the time for processing and approval of proposals from developing countries.

Technology transfer is seen as a key enabler for climate and sustainable action, with developed countries, under Article 4.5 of the UNFCCC, obliged to promote and facilitate, including through financing, the transfer of environmentally sound technologies to developing countries to support the latter in implementing climate actions. Under Article 10 of the Paris Agreement, developing countries are also supposed to be supported on technology development and transfer.

As noted in paragraph 9 of decision 14/CMA.5 adopted in Dubai last year, there is "insufficient transfer and deployment of technology in developing countries"; the decision encouraged "the Technology Executive Committee (TEC) and the CTCN to continue collaborating with the operating entities of the Financial Mechanism [such as the Green Climate Fund (GCF) and the Global Environment Facility (GEF)] and relevant financial institutions with a view to enhancing the capacity of developing countries to prepare project proposals, facilitating their access to available funding for technology development and transfer and for implementing the results of their TNAs and the technical assistance of the CTCN, and strengthening the transfer and deployment of technology…".

The Technology Mechanism, comprising the TEC and CTCN, was established in 2010 to facilitate the implementation of enhanced action on technology development and transfer to support action on mitigation and adaptation. The TEC is the policy arm of the TM, while the CTCN is its implementation arm, hosted by the United Nations Environment Programme (UNEP), and supports developing countries on a demand-driven basis in deploying transformative climate technologies. The Financial Mechanism was established under Article 11 of the Convention to provide financial resources on a grant or concessional basis, including for technology transfer.

Consideration of linkages between the TM and FM started in 2012. An in-session workshop on 4 June 2024 held in Bonn saw Parties take stock of successful approaches, lessons learned, and gaps in cooperation and collaboration between the mechanisms; and identify ways and opportunities to strengthen linkages and for strengthening communication and collaboration between national focal points (of the mechanisms), as well as ways for enhancing linkages to support the implementation of technology priorities of developing countries, identified through TNAs and technical assistance provided by the CTCN.

In Bonn, the informal consultations were co-facilitated by Peter Govindasamy (Singapore) and Stephen Minas (Greece). After the first session, the co-facilitators presented a draft text to Parties on 5 June, followed by a second iteration on 8 June. The second version is the one that Parties agreed to "take into account" as they continue the consideration of this matter in Baku.

Divisions over various parts of the draft text

Discussions led to the adoption of conclusions at the end of the Bonn session which read: "The SBI [Subsidiary Body for Implementation] considered linkages, collaboration and cooperation between the Technology Mechanism and the Financial Mechanism, taking into account the submissions by Parties and other stakeholders…, the synthesis report prepared by the secretariat, and the in-session workshop."

In Bonn, Parties also "agreed to continue consideration of this matter at SBI 61 (November 2024) with a view to recommending a draft decision for consideration and adoption at COP 29 (November 2024), taking into account the draft text on the UNFCCC website".

Chile, on behalf of the **G77 and China**, said that a lot of the expectations from the group were in brackets, but viewed the text as a good basis for continued negotiations. The G77 and China has been advocating for the facilitation of financial resources to enhance the impact of the work of the CTCN and the implementation of the results of the TNAs.

Uganda, for the **Least Developed Countries (LDCs)**, said the "CTCN has always stated that they have limited resources" and asked how the process under discussion could ensure that it had adequate resources. Referring to paragraph 4 of the draft decision text, Uganda said it had a problem with references to only "ensuring financial resources", as it had repeatedly called for "ensuring and increasing access to financial resources".

(Paragraph 4 reads, "Recalls paragraph 6 of decision 13/CP.21, in which it is recognized that the definition and elaboration of linkages between the Technology Mechanism and the Financial Mechanism has the aim of ensuring financial resources for, and scaling up action on, technology development and transfer".)

During the session on 10 June, **Norway** viewed paragraph 4 as confusing and suggested that "this text cannot be taken forward without discussing how it will be taken forward" in the conclusions.

According to sources, there was an alternative text proposed to paragraph 4 which does not speak to the need to ensure financial resources but only recognises "a wide variety of views, including on successes, gaps and challenges, expressed in the submissions … and the synthesis report prepared on this matter". This alternate text has now been included as paragraph 5 of the draft text with slight edits.

(Paragraph 5 reads, "Recognizes the wide variety of views expressed in the submissions and the synthesis report referred to in paragraph 1 above, including on successes, gaps and challenges regarding linkages between the Technology Mechanism and the Financial Mechanism, and notes the gaps, challenges and needs regarding the further strengthening of those linkages".)

Reacting to paragraph 5, **Uganda**, for the **LDCs**, said it was not about a "wide variety of views regarding the linkages", but the focus was to come up with appropriate intervention and for the needs, gaps and challenges to be addressed and interventions to be action-oriented.

Developing countries, led by the **G77 and China**, also called for simplifying the procedures between the two mechanisms and promoting harmonisation between them to shorten the time for processing and approval of proposals.

This is reflected in paragraph 9 of the draft decision text, which reads, "Invites the Green Climate Fund and the Global Environment Facility to enhance access to support for and simplify the process for the uptake of technology needs assessment and Climate Technology Centre and Network technical assistance outcomes".

The **EU** said there was no consensus on paragraph 9, which should be bracketed, and preferred the language of "facilitate" instead of "enhance access".

Reacting to paragraph 14 which "encourages developed country Parties to contribute to capacity-building and to strengthening the linkages between the Technology Mechanism and the Financial Mechanism to accelerate technology development, deployment, demonstration, diffusion and transfer", **Canada** said this paragraph "is very broad and not clear what exactly being sought". It further claimed that "developed countries are already contributing to capacity-building efforts".

Another expectation from the **G77 and China** concerned texts in paragraphs 6 and 12 of the draft text.

Paragraph 6 reads, "Notes the urgent need for consolidated information and data on linkages between the Technology Mechanism and the Financial Mechanism, including on the financial resources needed and provided for the provision of support through the Climate Technology Centre and Network, updating and conducting technology needs assessments, implementing technology needs assessment outcomes including technology action plans, implementing Climate Technology Centre and Network technical assistance outcomes, and enhancing the capacity of developing countries to translate their technology needs assessments and Climate Technology Centre and Network technical assistance results into fundable proposals".

Paragraph 12 reads, "Requests the secretariat to prepare a report consolidating the information on funds received, funding gaps, the progress made in enhancing the linkages and potential options to enhance the linkages between the Financial Mechanism and Technology Mechanism for consideration by the Subsidiary Body for Implementation at its sixty-second session (June 2025)".

Chile, for the **G77 and China**, had been calling for consolidated information and data since the beginning of the sessions in Bonn, including at the 4 June in-session workshop. This call was echoed by **Saudi Arabia** for the **Arab Group**, **Kenya** for the **African Group**, **Uganda** for the **LDCs**, **Egypt** and **Brazil**. (See some highlights from the in-session workshop below.)

Earlier, on 6 June, **Saudi Arabia**, for the **Arab Group**, explained that "it was simply looking for baseline information that consolidates all information into one place to have a more fruitful discussion". It said "currently, the information is available across several reports" and there was "no clear visibility of data to inform the discussion". It then provided some examples of information "such as what are the needs of developing countries, what is the current level of support and so on".

The **EU** responded that there were already joint annual reports of the GEF and GCF, while **Norway** questioned the purpose of the consolidated data.

Switzerland then suggested collecting all information in one place. It referred to "the joint report" (of the TEC and the CTCN) and encouraged them to "engage with the operating entities". This was supported by the **United States**, which said that asking for consolidated information could be time-consuming for the secretariat, and that it was better to "make use of all the available reports before we decide to go with time-consuming consolidating information". The **EU** also said that both paragraphs 6 and 12 were "impossible tasks".

Switzerland's suggestion appeared to be reflected in the bracketed paragraph 7 of the draft decision text, which reads, "Requests the Technology Executive Committee and the Climate Technology Centre and Network, in consultation with the operating entities of the Financial Mechanism, to include in the joint annual report consolidated information and data as referred to…".

Switzerland and the **EU** also highlighted that they encouraged private sector engagement on this issue, and that it was important to engage a broad range of stakeholders, including the public and private sectors, in further strengthening linkages between the mechanisms. **Saudi Arabia** responded by saying that it did not see how the private sector was relevant, as the TM and FM were accountable and served under the Convention.

In this regard, paragraph 13 of the draft text reads, "[Recognizes the need to engage a broad range of stakeholders, including public and private sector stakeholders, Indigenous Peoples as well as local communities with a gender responsive approach, in further strengthening linkages between the Technology Mechanism and the Financial Mechanism;]".

During the final session on 11 June, **Chile**, on behalf of the **G77 and China**, wanted to have the draft text forwarded as the basis for further negotiations in Baku, which was echoed by **Uganda** for the **LDCs**, **Saudi Arabia** for the **Arab Group**, and **Kenya** for the **African Group**.

After much wrangling over the procedural aspects of how to capture the progress of this session and to take it forward to Baku, Parties, in the spirit of compromise, agreed to continue consideration of the matter at the next SB sessions in Baku and "take into account the draft decision text on the UNFCCC website".

Some highlights from the in-session workshop

At the 4 June in-session workshop on linkages between the TM and the FM, **Chile**, for the **G77**

and China, highlighted the submissions made by the Adaptation Fund (AF), which it said were "very interesting in terms of how they have worked with the CTCN and the process and approach that they have". It also commented on the UNEP submission, which it said was "actually the first time that you see some light in terms of the numbers of the linkages". Explaining further, Chile said "now we have numbers on the technology needs assessments (TNAs), on the implementation of the technology action plans (TAPs) that we have never seen before and that's a very interesting input". (Chile was referring to UNEP's submission which indicated that the 98 TNAs undertaken by developing countries under the Global TNA project starting in 2009 have only resulted in 21 projects being supported and financed by the GCF and GEF. The total amount of financing (funding + co-finance) was $1.83 billion, of which only $20 million was from the GEF and $298 million (including grants and loans) from the GCF. This was also captured in the synthesis report by the secretariat as a pre-session document.)

Brazil said, "A lot of efforts have been put on planning and we need to move to implementation." It recounted that it had been difficult to get the big picture on the linkages, as some information came from the CTCN and some from UNEP, and Parties could not get the big picture of the finance flows. It then suggested that Parties make an effort to get the big-picture information to help inform the evaluation of "where we are". Brazil said further there was a need for greater alignment between the technologies identified by TNAs and TAPs and the funding requirements. It also called for a higher level of flexibility with regard to the funding requirement and said that developing countries were the ones who needed technology development and transfer more.

Saudi Arabia said, "We do need to identify clearly where we are, where we want to go and how to chart a path to get there." In terms of the purpose of the linkages, Saudi Arabia said that "the simple answer is about implementation". On the information in reports, it said it was currently scattered across the different reports and said there was a need for clear information on the quantified needs of developing countries regarding technology transfer across the journey, from the preparation of TNAs all the way to the implementation on the results of TNAs.

Uganda compared the TM to "a vehicle that we need to take to get to achieve climate action", while the "FM is like the fuel for the vehicle for us to get there; without the fuel, the vehicle will become stagnant at the same position". Reacting to the presentation earlier by the CTCN, TEC, GCF and GEF, it said, "Listening to the presentations, somehow somewhere we seem like feeding the vehicle with 'wrong fuel' and it remains stagnated."

Seychelles, on behalf of the **Alliance of Small Island States** (**AOSIS**), commented that "with regard to the linkages that already exist, we believe that these linkages need to be enhanced". It added that "Small Island Developing States (SIDS) face significant challenges such as high technology cost due to geographical locations and dependency on expensive imports. These issues are compounded by complicated GCF readiness processes and insignificant and insufficient coordination between national focal points agencies and financial entities. Addressing these challenges require tailored technical assistance, financial support and capacity building initiatives alongside improving coordination and clear guidance. An integrated approach aligning the TNA outcomes with Financial Mechanism criteria is crucial for enhancing the relevance and impacts of funded projects that foster sustainable development and build resilience within the SIDS".

Samoa said that "the TNA is like a blueprint of how to advance the technology in the country as we move into the implementation of NDCs (nationally determined contributions) and NAPs (national adaptation plans)". Explaining further, it said SIDS also prepared this action plan but because of the geographical distance and remoteness, they had lower economies of scale and the technology cost was usually higher, which was a challenge in itself. Another challenge was the subsequent unavailability of spare parts for some technologies brought into a country.

The webcast of the in-session workshop is available: the morning sessions here and the afternoon sessions here.

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Lively exchange on challenges of developing countries on climate investments

New Delhi, 1 July (Radhika Chatterjee) – At the "investment-focused event" (IFE) held under the Sharm el-Sheikh mitigation ambition and implementation work programme (commonly referred to as mitigation work programme (MWP)) on 28 May in Bonn, speakers and delegates from developing countries highlighted the challenges they faced on climate finance and investments in relation to mitigation actions.

The IFE was held along with the third global dialogue under the MWP and was presided over by the programme's Co-Chairs Amr Osama Abdel-Aziz (Egypt) and Lola Vallejo (France).

Introducing the IFE, Abdel-Aziz said the event was "an opportunity to take forward the conversations from the global dialogue and to consider the cost of implementation, overcoming barriers to access finance, while identifying investment opportunities and actionable solutions". Recalling discussions held at the global dialogues and IFEs in 2023, he said that "last year, we have heard several common barriers and challenges ranging from political barriers, financial barriers, cultural, technology barriers, and capacity constraints". The idea "this year is to identify actionable solutions to address some of these key challenges and barriers".

The IFE was held in two parts: a panel discussion followed by pitch hub events that were held in breakout format, held on both 28 and 29 May. The panel presentations saw rich discussions on structural barriers to investment, with a focus on various limitations that countries face in their fiscal spaces. The panel discussions were shaped by two guiding questions, shared by Co-Chair Vallejo. The first question focused on "primary structural barriers related to fiscal constraints hindering mobilisation of investments and how do they vary across regions and sector". The second one was about identifying "most promising solutions that the international community should focus on".

Dr. Omar E. El-Arini, a former Green Climate Fund (GCF) Board member, spoke as a panel member of the IFE. He said "there is a real barrier, political and institutional ... the barrier is to enlarge what we have [and] to build on what we have".

Lamenting the low levels of funds that countries were able to mobilise for existing climate funds like the GCF, Adaptation Fund (AF) and Global Environment Facility (GEF), El-Arini urged countries to "go back to what we have as legally binding treaties", referring to the UNFCCC, the Kyoto Protocol and the Paris Agreement, which he said were "legally binding obligations" of developed countries and not simply "aspirational".

Emphasising the need to look at existing realities, he said, "We have the system of the existing Financial Mechanism of the UNFCCC. The issue of finance [is] dealt with in UNFCCC's Article 4 which talks about resources, funding and finance. Article 11 [is about the] Financial Mechanism." Stressing on the need for making best use of existing institutions, he asked for removing "all barriers in the existing Financial Mechanism". He added, "If you look at the aggregate amount of money in all these institutions, it is not enough to finance the needed money to implement the nationally determined contributions (NDCs) of developing countries. This is the reality [that] looks us in the eyes every day as we look at the future of the planet."

Within the context of mitigation, he said it is known that "it is capital-intensive. We need to either phase down emissions or to avoid emissions completely … note that the Convention and the Financial Mechanism tell us [that] for mitigation, incremental costs would be paid, not all costs". Elaborating further, he said "most of the time [the] incremental cost component of a project capital is not enough to implement. The owner of a project, whether it is a public utility or private … seek private finance. They have been successful under different Protocols and Conventions, [and the] same would be under UNFCCC".

On NDCs, he said, "We are talking about our new crop of NDCs without having to showcase the implementation of NDCs, whether it is developing or developed country. I want us to be grounded in reality and … remain faithful to the MWP. All inputs and outputs are tangible in this work programme. We are not talking about resilience and adaptation, we are talking about mitigation, where everything … can be quantified and incremental costs [are] needed."

"Developing countries have been struggling for decades … and when they get loans, the conditions are very difficult. Some governments change over the havoc set on many countries [due to loan conditionalities] and some governments are in very difficult situation. At the end of the day the poor pay the price. The world cannot continue to rely on the poor paying the price … we will take a different course of action to remedy their plight," added El-Arini.

Daouda Sembene, CEO of AfriCatalyst, said one of the main difficulties many developing countries faced across regions arose from their complex tax systems which were not delivering the required revenue. Added to this was a challenging regulatory framework, especially in many African countries, where the complexity of tax codes made domestic revenue mobilisation difficult. Further, the tax systems of these countries were not designed specifically to incentivise clean energy investments.

Focusing on African countries, he said a key barrier was their "significant debt vulnerabilities that leave very little fiscal space for mobilising clean energy investment. Eight countries are in debt distress, and 13 countries in high debt distress" in Africa. He said, "If we talk about developing countries which are responsible for very limited part of greenhouse gas emissions, to ask them to do more in terms of investments, [then] they need to find some political and financial benefit for making progress on that". Especially in a region like Africa, "the best way to do this is to reduce this prohibitive cost of clean investment projects. You cannot do much if countries are not only politically convinced" but it also has to "make economic sense".

In the context of international cooperation and the G20's "common framework" for debt relief, he said, "We need to set clear objectives of what this international cooperation is going to be for. One key barrier is debt; we have to make sure to put in place the right international cooperation to help those countries which are struggling under international debt. The G20 talks about the common framework, but it is not delivering on the outcomes so far. [We] need to make sure it is" delivering.

He also highlighted the "high risk perception" as a key issue that many African countries were dealing with because it was limiting their market access to global capital, making it difficult to mobilise public investment. The "perceived risk" inflated the cost of capital for many African countries, where it was "at least 2 or 3 times higher" compared with that of advanced economies or China.

Advocating the need to address risk perceptions, he said, "There are two parts [to this]. [When] there is actual risk, countries have to work with partners to de-risk and mitigate risk. There is also perceived risk that is sometimes baseless. The United Nations Development Programme's recent research shows that due to subjectivities of credit rating agencies African countries had to pay more than $74 billion in terms of additional debt service that they would not have paid if the credit rating agencies did not place them in high risk category. If we do not address this, these countries would have to pay risk premium, and this would divert [resources] from their meagre budget."

Elaborating on ways to reduce the cost of capital, Sembene said, "We have to ensure that traditional financing works. You cannot reduce the cost of capital if you don't have enough equity financing … [which is] lacking in many developing countries, particularly in Africa. You cannot reduce the cost of capital without de-risking investment." There was a "need to put in place credit enhancement, including guarantees and risk sharing mechanism," added Sembene. He further said there were examples of "innovative solutions that work, whether it is through dedicated guarantee to providers, currency hedging products … to really have adequate liquidity support mechanism". Another "innovative solution" he mentioned was "debt-for-climate swaps" although currently, the experience of Africa showed that "very limited amount of savings have been made" through such swaps.

Dr. Mahmoud Mohieldin, COP 27 High Level Champion, identified three main areas of action and said there was a "need to double bilateral finance from today's levels, triple finance from multilateral development banks (MDBs), and quadruple finance from the private sector". Bilateral finance, he said, was hindered by political constraints.

To address the problem of debt faced by many developing countries, he raised the concept of "moral debt" advanced by the economist Esther Duflo. Elaborating on this, he said "advanced economies are rich countries and owe the Global South and developing economies no less than $500 billion/year … [this is] calculated by multiplying 14 billion additional unnecessary tonnes of emissions by $37/tonne". He called for "some sort of trading and settlement between what developing countries owe as commercial and public debt" and this moral debt.

For MDBs, he asked for improving their efficiency and pointed to the need for better development banks. "Without decent substantive capital finance increase of these institutions, they cannot leverage the private sector, and they cannot de-risk the private sector. As a result, they cannot work with the government."

He also stressed the need for the private sector to do more on the mitigation front, adding that "we need to multiply whatever we have today from the private sector by 5". Referring to the argument advanced about developing countries lacking bankable projects, he said developing countries had already demonstrated otherwise. The problems of developing countries related to the business environment and red tape, which had "nothing to do with project-specific pipelines".

Mohieldin also stressed the need to emphasise "the importance of trade restrictions, harmful investment policies and industrial trade policies that have serious implications on the fairness of doing business". In this regard, he mentioned the European carbon border adjustment mechanism (CBAM) and the Inflation Reduction Act (IRA) of the United States, saying they had "national security and geopolitical concerns, supply chain resilience concerns, competitiveness concerns and trade restrictions components".

Elaborating on the "spillover effects" of the CBAM and IRA, he said "we have projects in our pipeline that have a promise of funding and scaling up" but did not receive funding "because the US is becoming more attractive". Highlighting the plight of African countries, he said "even if we try to call them [CBAM and IRA] green policy measures and not trade protectionism, [there are] certain trade implications … that will make business, social and political environment in African countries very complicated". There was a need instead for "designing policies without intervening in sovereign matters".

Speaking in the context of the $100 billion annual climate finance goal and the new collective quantified goal (NCQG), he said "it is much more important to know about methodology, governance, composition (debts, grants, investment with returns), and risk mitigation elements. In the current system the whole funding flown from the North to South and the issues related to reporting leave a lot to be desired". Pointing to the vast differences in the figures reported by the Organisation for Economic Cooperation and Development (OECD) and Oxfam on the amount of climate finance provided (from developed countries), he said "we have the technical capacity in good and impartial reporting. We need the voice of the beneficiaries and need to have a better reporting system [which is] more inclusive than it is today".

Amar Bhattacharya, Senior Fellow at the Centre for Sustainable Development, Brookings Institution, shared that the main reason for the failure on climate was that "we are failing on investment". He said the needs of developing countries in clean energy investments were very clear, i.e., around $1.4–1.5 trillion by 2030, and the task was "how to ramp it up" and what kinds of instruments could be used for that. Advocating a greater role for private finance, he said the most important barrier to that was the "lack of strong viable projects and the high cost of capital". Highlighting the importance of public finance, he said public investment was needed especially for public infrastructure like grids and storage. Development finance institutions had a key role to play in providing this public finance, he added. "Affordable private finance and affordable long-term public finance" were the two pillars currently lacking, said Bhattacharya.

Another barrier that he identified was the debt faced by many developing countries, with there being a need to tackle debt and fiscal constraints. Speaking about the ways in which liquidity challenges faced by developing countries could be addressed, he mentioned the "deployment" and "recycling" of Special Drawing Rights (SDRs) as one option, and also called for "stepping up financing from other kinds of low-cost sources". He also called for revamping the G20's common debt framework and mentioned aviation levy, shipping levy, financial transaction tax and wealth tax as various means of generating the scale of revenue required for dealing with the problem of debt.

The need of the hour was affordable "significant public investment" from development finance institutions and which should be anchored by "strong domestic resource mobilisation", said Bhattacharya further.

Regarding the solutions, he said a country-based approach needed to be adopted. Recalling the goal of tripling renewable energy that was agreed upon at COP 28, he said there was a need for more "ambitious NDCs" which "need to be articulated in a way where investments are centrestaged".

On finance, he said developed countries had to live up to their commitments, which meant going well beyond what they contributed to $100 billion. The bilateral concessional component of the $100 billion, which had been about $30–35 billion, needed to increase further as that was the essence of climate finance; while it was a small part of the whole, it was very crucial. It needed to be primarily focused on adaptation but was not the big solution for mitigation, he added.

On the role of MDBs, he argued for tripling the finance component from them and said "the business of multilateral finance banks needs to fundamentally change from a project-based approach to proactively supporting system change and scaling up".

He said the private sector should be encouraged through a "co-creation of investment opportunities". There was a need for "dealing with closing the gap between actual and perceived risks", he added, also highlighting South-South cooperation as a potential option for producing "important results in the clean energy space".

Highlighting challenges posed by recent trade and industrial policies of developed countries like the IRA and the European Green Deal, Bhattacharya said they "have sucked out a lot of investment from the Global South because everyone is now investing in those countries. There is a need for these countries and multilateral institutions of the North to ensure that investments to the developing world are not affected".

Speaking about the challenges that developing countries faced in mobilising domestic resources, **Mohammad Nasr** of **Egypt** cited a United Nations Economic Commission for Africa (UNECA) report and said "African countries are now putting 5% of their GDP for climate change adaptation and loss and damage. If we want them to put their own resources to deliver on their current NDCs from their own money, they will have to put 10% of their GDP … [we] don't know if they will be able to do so … Interest payment of Africa for paying back its debt on an annual basis is [already] exceeding what they spend on climate change from their pockets".

Highlighting a second challenge, he said, "The issue of impact of unilateral measures [like] the EU Green Deal, the IRA of the US, the CBAM of the EU – all of those actions are creating non-enabling environments. If you are talking about investments, why would investments go to Africa, if they can make much more profit in developed countries that are secure and have better credit rating?" Nasr asked "how can developing countries compete with those incentives", adding that he did not know of any developing country that could put up $300 billion in incentives or have major trade measures for that.

Raising the issue of providing climate finance in the form of loans, he said that, according to recently published reports, "most of $100 billion provided by developed countries was provided in terms of loans. How do you define climate finance [especially if] 40-60% of it comes in loans … that is not climate finance. These are commercial loans".

He said discussions on moving "from billions to trillions" needed to keep in mind that "if we don't have the right scale, we are not delivering on climate action. If you are having wrong instruments, if we don't have the right scale, we are not delivering on climate action … If we are not delivering on [the first round of] NDCs, we are not delivering on [the second round of] NDCs".

Responding to the proposal for using innovative financing sources, he said, "Taxes is easy thing. [But] even if we agree on a tax, where are these tax revenues going? How are we going to split that?" He said "the revenue of CBAM goes to the European budget to green the European industries … How can you ensure that these innovative sources are being directed and used for delivering ambition in developing countries?"

Regarding fossil fuel subsidies, Nasr asked, "Is there a study on how much is put on tax incentives for the fossil fuel industry in developed countries versus how much is being put as a social support/social contract in developing countries? We need to differentiate between the two." He said there were "a lot of reports about tax breaks in developed countries for fossil fuel exploration and expansion [including] Europe and US. When we talk about fossil fuel subsidies, [we] need to understand which fossil fuel subsidies we are talking about".

Mohammad Ayoub of **Saudi Arabia** said the barrier "could also be an issue of outdated systems and process. Budget approval and allocation process in those countries … make it a political question. For example, in 2022, Annex II countries [of the Convention] spent $13 trillion in expenditure. Money is there … [The] question is whether there is political will to channel funds to climate. How can processes in these countries be adjusted in a way that treats climate change as a priority issue?"

On the issue of debt sustainability and responding to the proposal of relying on stronger domestic resource mobilisation for addressing climate change, he said developing countries were facing "limited fiscal space". Referring to United Nations Conference on Trade and Development (UNCTAD) reports, he said developing countries "have to decide between spending on healthcare and investments in education due to the amount they have to spend on debt servicing and they have to do it on an annual basis … [it is] not clear why they have to focus on domestic resource mobilisation … [it] seems unrealistic".

Stressing on the distinction between development finance and climate finance, he said, "We cannot conflate obligations of countries with voluntary contributions. Obligations lie with developed countries not only because of [the principle of] CBDR [common but differentiated responsibilities] but also because of historical responsibility [and] agreements governing our climate efforts."

Responding to the discussion on enabling environments, Ayoub said "it is also important to talk about the dis-enabling environment". He referred to issues such as currency exchange, unilateral measures like the CBAM and subsidy packages such as the IRA, and asked how some of these policies could be scaled down and what the impact of climate protectionist policies was on investment in developing countries.

Tulio Andrade of **Brazil** said the challenge was about how to accelerate the scaling up of finance and stressed that the provision of climate finance was not voluntary but a legal obligation. "The challenge is to move from billions to trillions" but the "reality is that while developing countries receive millions in international cooperation, they pay out billions from international cooperation that they receive. Billions are flowing out, while millions are flowing in … this process does not make sense". Highlighting the need for structural reform of MDBs, Andrade shared that a recent tragedy experienced in Brazil had shown that the institutions that jumped in to help Brazil were not the World Bank or the International Monetary Fund but the new development banks like the Latin American Development Bank and the Inter-American Development Bank (IDB) which provided $3 billion without imposing conditionalities first but actually recognised the needs of the country.

The **European Union** representative, responding to the proposal of changing the business model of development finance institutions (DFIs) and MDBs, said "there has already been a strategic shift in a lot of DFIs towards more green disbursements", and asked speakers what other steps could be taken towards that. He also raised the point of "what kind of new and innovative types of policy instruments" could be created by those institutions and the role that MDBs could play in "closing the gaps between real and perceived risks". He emphasised the need for dealing with energy subsidies. Citing research by the International Monetary Fund, he said "globally we have direct and indirect fossil fuel subsidies that amount to $7 trillion, [which] create sizeable fiscal consequences, … encourage pollution, [and are] not even targeted to low-income households". Given this context, he asked what role fossil fuel subsidies played in the provision of clean energy investments.

The **US** representative said the key issue in Just Energy Transition Partnership (JETP) processes was the centrality of least-cost planning for projects. He said investments could "go either way depending on the enabling environments … this issue of not having least-cost planning for allocation of resources [acts as] enabling environment barriers". He also stressed on the need for integrating least-cost planning into NDCs and asked what were the barriers preventing that. The challenge, he said, was about convincing the private sector that this was an efficient use of money.

The webcast of the IFE is available here. Details and webcast of pitch hub events can be found here.

The topic of this year's global dialogue is "Cities: Buildings and urban systems". The global dialogue began with a scene-setting presentation by Dr. Yamina Saheb, the lead author of the chapter on buildings in the 6th Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) in Working Group 3 on Mitigation. Experts from around the world also shared presentations on the following subtopics: "Reducing operational emissions (heating, cooling and appliances); Designing building envelope for efficiency (retrofitting, new construction); Reducing embodied emissions (building materials)". This was followed by breakout group discussions on opportunities, best practices, actionable solutions, barriers and challenges on the various subtopics. More details on the list of speakers and webcast of discussions are available here.