TWN Climate News Updates

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Dubai Climate News Updates

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NOTE

This is a compilation of 27 News Updates prepared by the Third World Network for and during the United Nations Climate Change Conference – encompassing the 28th session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP 28), the 18th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 18), the 5th session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 5), as well as the 59th sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 59) and the Subsidiary Body for Implementation (SBI 59) – held in Dubai, United Arab Emirates, on 30 November-13 December 2023.

TWN
Dubai Climate News Update 1
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What to expect at the Dubai climate talks

Dubai, 30 November (TWN) – The annual climate talks under the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol (KP) and the Paris Agreement (PA) will take place from 30 November to 12 December in Dubai, United Arab Emirates (UAE). Over 100 world leaders are expected at the high-level segment of the talks in the first week.

Governments attending the 28th session of the Conference of the Parties to the UNFCCC (COP 28), the 18th session of the KP Parties (CMP 18) and the 5th session of the PA Parties (CMA 5) will meet in conjunction with the 59th sessions of the Subsidiary Body for Implementation (SBI 59) and the Subsidiary Body for Scientific and Technological Advice (SBSTA 59).

The talks are taking place at a time when the world is in great turmoil and upheaval, with wars and conflict in many parts of the world, particularly in Gaza, where we are witness to horrendous carnage and genocide. The trust and good faith placed by the Global South in the value of international cooperation are rapidly diminishing, as human rights and longstanding multilateral commitments on climate action and international support are breached rather than respected, especially by those who claim to be their champions.

Against this backdrop, at a time when the world is getting hotter – with scientists declaring 2023 to be the warmest year on record compared with the pre-industrial era – the trust deficit is widening between developed and developing countries.

The Dubai climate talks will indeed be in the spotlight, as the test unfolds under the first global stocktake (GST) process of the PA (see further details below), on whether there would be an honest and transparent assessment as to why governments have failed to reverse course on global warming and meaningfully address climate impacts, within the context of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) between developed and developing countries.

At the heart of the assessment will be whether developed countries own up to their historical responsibility for past emissions and their overuse of the carbon budget, or whether they will shift focus on current and future emissions, passing on the blame to developing countries for not doing more, with the promised finance and technology transfer not being realised.

Some of the many critical issues that governments will grapple with in Dubai are set out below.

Adoption of provisional agendas

At the opening of the talks, at issue will be whether the provisional agendas of the COP/CMA/CMP and the Subsidiary Bodies (SBs) will be adopted smoothly without delay, or whether there will be disagreements, given that 10 proposals are under consideration in the various bodies, proposed by some Parties or groups, with several of them expected to be highly contested.

Five have been included in the provisional agendas (in accordance with rule 10(d) of the draft rules of procedure) produced on 29 September, while four have been included in the supplementary provisional agendas (in accordance with rule 12 of the draft rules of procedure) produced in late October and in November.

The incoming UAE COP 28 Presidency has been conducting intensive consultations with heads of delegation, including on 29 November, to find solutions to the new agenda items proposed, with the hope of avoiding delays in the adoption of the provisional agendas when the COP opens on 30

November. For further details on the agenda items, please see below.

The first global stocktake

The first GST outcome will be most keenly anticipated. The GST's objective is to assess the collective progress of Parties in achieving the PA's goals, including on mitigation, adaptation, and the means of implementation and support, in light of equity and the best available science. The issues of loss and damage as well as response measures are also being considered by the GST. The outcome of the GST is to inform Parties in updating and enhancing their nationally determined contributions (NDCs), and the process has therefore been viewed as a 'ratchet' mechanism for enhancing ambition on all elements of action and support.

In Dubai, the issue is how the decision text for the GST will be generated for negotiations to begin, given the many divergences along North-South lines on the various elements, especially relating to the historical responsibility of developed countries, their overuse of the carbon budget, pre-2020 ambition, the gaps in implementation including on adaptation and the means of implementation etc. Apart from a decision text, will there also be a declaration containing the key political messages and how will this be generated? These are important issues to watch out for, once the contact group for the GST starts work.

In a recent letter, the COP 28 President-designate Sultan Ahmed Al Jaber's message reads, "The first GST will have a central role because of its cross-cutting nature. We must ensure there is consensus on the way forward. The intensive work over the past two years means there is substantial material already available. The thorough technical phase and the valuable submissions by Parties have provided clear focus. I encourage Parties to engage on text for a draft decision as soon as possible, building on elements from various inputs."

The letter further highlights the intersessional workshop held in October in Abu Dhabi on the possible elements of the GST outcome and says that the "momentum gained" and the "summary report on the refined elements of a GST outcome have been encouraging".

The summary report, produced as an informal note by the SB Chairs, informs that discussions on the possible elements were along the indicative draft structure agreed at the June session of the SBs (see TWN Update) and guided by bullets for possible elements of a GST outcome.

The letter of the COP 28 President-designate also states that during the World Climate Action Summit on 1-2 December, three high-level events will be held focused on the GST covering mitigation, adaptation and the means of implementation. These events are "intended to provide political guidance for the consideration of outputs phase of the GST".

The high-level committee mandated to chair the events "will issue a summary of the events" and the summary is "intended to contribute to the development of clear, political messages in the final CMA decision".

In addition, in a joint informal note, the SB Chairs state that informal consultations were conducted in November to "continue gathering views on the revised elements of the GST outcome and elaborate on possible landing zones. We hope that Parties can enhance their understanding of the convergences and divergences among views on this prior to SB 59, which will enable them to move forward in considering the outputs of the process during the sessions and concluding the first GST".

Loss and damage

The two critical issues under the loss and damage agenda relate to the much-awaited operationalisation of the loss and damage fund (LDF) established by COP 27 last year in Sharm el-Sheikh, Egypt, and the hosting of the Santiago Network's secretariat.

Operationalisation of the loss and damage fund

The operationalisation of the LDF is seen as a key outcome in Dubai.

The fifth meeting of the Transitional Committee (TC 5) in early November in Abu Dhabi managed to adopt the draft recommendations on the matter for consideration and adoption at COP 28 and CMA 5. The three-part package, proposed by the co-chairs of the TC, comprises: (i) the cover decision to operationalise the fund and the funding arrangements; (ii) the governing instrument for the fund; and (iii) the draft recommendations in relation to the funding arrangements.

TC 5 entailed difficult negotiations, primarily due to the sole obstructionist stance of the United States on the sources of funding. The gavelling of the draft recommendations by the TC was considered a successful delivery of the TC's mandate (see TWN Update).

The adopted TC 5 package outcome managed to resolve the difficult issue of the location of the fund/secretariat, primarily due to a massive compromise by developing countries in agreeing to a World Bank Financial Intermediary Fund (FIF) as an interim arrangement subject to conditions. The developed country TC members had aggressively pushed for the LDF to be a World Bank FIF instead of a standalone fund as demanded by developing countries.

Further, developing countries had consistently demanded that the LDF be designated as an operating entity of the UNFCCC's Financial Mechanism in accordance with Article 11. Hence, getting agreement on this at the TC was an important win to balance the outcome.

The big fight in the TC was over the recommendations in relation to sources of finance, which the US till the very end attempted to block, insisting that the obligation of developed countries to contribute to the LDF was voluntary in nature. The reference to "developed countries" having to contribute to the LDF was considered another major win, given fierce opposition by the developed countries led by the US. (See TWN Update for more details on the substance.)

Given the US stance on the matter, it remains to be seen whether the recommendations will remain unchanged or if the text will be reopened in Dubai, which would unravel the delicate balance of compromises arrived at through intense negotiations at the TC.

Hosting of the Santiago Network on Loss and Damage

The Santiago Network on Loss and Damage (SNLD) was established at COP 25 to catalyse technical assistance for averting, minimising and addressing loss and damage in developing countries. COP 26 agreed on the functions of the SNLD and also that funds will be provided to support its functions.

At the SB 58 intersessional in Bonn in June this year, there was no consensus on which agency would host the SNLD. There were two contenders, viz., the Caribbean Development Bank (CDB) and a consortium composed of the UN Office for Disaster Risk Reduction (UNDRR) and the UN Office for Project Services (UNOPS). Both developed and developing countries have their preferences over the two options (see TWN Update).

SB 58 agreed that further consideration of the issue would continue at SB 59 taking into account the draft text in brackets (denoting no agreement) prepared by the co-facilitators. It is hoped that resolution on this matter will be found in Dubai.

Adaptation

The two critical issues under adaptation are the global goal on adaptation (GGA) and national adaptation plans (NAPs).

Global goal on adaptation

One of the key decisions expected under CMA 5 is on the adoption of a framework on the GGA, which was pursued relentlessly by developing countries last year at COP 27 as well.

Negotiations on the issue have not been easy and at the SB 58 intersessional in Bonn, following a protracted deadlock, the entire work on the issue was salvaged at the very last minute in the form of an informal note produced by the co-facilitators, which has no formal status and which states that "the content of the note is not intended to prejudge further work that Parties may want to undertake nor does it in any way prevent Parties from expressing other views that they may have in future".

The bone of contention lies with developing countries aiming for a comprehensive structure of the framework with the inclusion of targets/ indicators while developed countries want to keep the framework very high-level without any targets and indicators.

Additionally, references to the principles of equity and CBDR-RC are again being contested by the developed countries and hence appear as options in the informal note.

The usual sticky issue of the means of implementation is also a key point of contention, with developed countries preferring the language option of "enabling conditions" in developing countries, which essentially shifts the burden onto the latter to attract finance.

Consideration of the informal note as the basis for a negotiating text and eventual adoption of a comprehensive GGA framework guided by the principles of equity and CBDR-RC and robust means of implementation would indeed constitute a significant outcome on the long-term adaptation goal in Dubai.

National adaptation plans

Negotiations on the NAPs have been tough, with the draft text elements resulting from the SB 58 intersessional entirely in brackets, containing contentious issues including whether the NAP agenda item should be continued or closed.

At SB 58, developing countries represented by the Group of 77 (G77) and China had proposed the inclusion of the NAPs as an agenda item under the SBI focusing on its implementation and had further proposed its continuation for the next five years.

The issue of means of implementation was again contested by developed countries, which are pushing for removal of references to their commitments including on doubling of adaptation finance for the formulation and implementation of NAPs.

Negotiations on the draft text elements will continue to be difficult, given the resistance of developed countries to making headway on the issue of finance for the implementation of NAPs.

Mitigation work programme (MWP)

At COP 27, Parties confirmed that the objective of the work programme "shall be to urgently scale up mitigation ambition and implementation in this critical decade in a manner that complements the global stocktake".

Parties decided 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 nonprescriptive, non-punitive, facilitative, respectful of national sovereignty and national circumstances, take into account the nationally determined nature of NDCs and will not impose new targets or goals". (This had been a grave concern to many developing countries.)

It was also decided that implementation of the work programme would start immediately after CMA 4 and continue until CMA 8 (2026), "with a view to adopting a decision on the continuation of the work programme at that session".

Two global dialogues were held this year, followed by what was called an "investment focused event". A report has been prepared by the Co-Chairs of the MWP, which will be considered by Parties in Dubai.

Despite the mandate of the MWP to not set global targets, the push by developed countries on having global mitigation targets such as the peaking of emissions by 2025, the setting of targets for renewable energy and energy efficiency as well as the phasing out of fossil fuels will certainly feature in discussions on mitigation, especially in the context of the GST.

The concern of some developing countries is that such targets are not linked to the provision of the means of implementation, are not equitable and do not reflect the realities on the ground where developed countries are actually expanding their fossil fuel production and consumption. These issues are certainly going to be highly contentious, especially if the principles of equity and CBDR-RC and the acknowledgement of the historical responsibility of developed countries are sidelined.

Just transition work programme

A new and significant outcome from CMA 4 last year was the decision to establish a work programme on just transition on the pathways to achieve the goals of the PA. Parties also noted in the decision that the global transition to low emissions provides opportunities and challenges for sustainable economic development and poverty eradication, and emphasised that just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition.

SB 58 in June this year saw tough negotiations on how developed and developing countries envision the work programme on just transition pathways (see TWN Update).

In Dubai, differences are expected to mainly centre on the scope of the work programme, as developing countries expect it to be broad, encompassing an all-of-society and all-of-economy approach, and covering all three pillars of sustainable development (social, economic and environmental), in the context of equity and CBDR-RC, while developed countries prefer it to focus on the just transition pathways for the workforce and primarily on the energy transition.

In terms of timelines, developed countries talked about a sunset clause of two years (for the work programme to end) but developing countries do not support setting termination dates, as there is no end date mandated by the CMA decision. Developing countries however are open to a review process at CMA 9 (2027).

Several other areas are also likely to see divergences along North-South lines, including overarching considerations related to the work programme, inputs, output/outcome and institutional arrangements. How this unfolds will be closely watched.

CMA 5 will also see the convening of the first annual high-level ministerial roundtable on just transition, which is scheduled for 3 December.

Finance

Finance as a key means of implementation will dominate the talks under a number of agenda items under the different bodies.

One common refrain of developed countries in dealing with climate finance, especially in relation to the new collective quantified goal on climate finance (NCQG), has been the issue of "widening the contributor base" to include "other developing countries in a position to do so", as well as the private sector and the multilateral development banks (MDBs). Developing countries have resisted such proposals, saying that these depart from the provisions of the UNFCCC and the PA.

Two high-level ministerial dialogues are scheduled on the NCQG (3 December) and on Article 9.5 of the PA (8 December), which is related to ex ante information on climate finance to be provided by developed countries.

Article 2.1(c) of the PA

The controversial issue of Article 2.1(c) of the PA is viewed by developing countries as being used by developed countries to impose 'green conditionalities' on them to access climate finance, with a lopsided focus on mitigation and undermining adaptation actions, when Article 2.1(c) speaks of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". (The Intergovernmental Panel on Climate Change defines climate-resilient development as the process of implementing greenhouse gas mitigation and adaptation measures to support sustainable development.)

In this context, the inclusion of the "Sharm el-Sheikh dialogue on the scope of Article 2.1(c) of the PA and its complementarity with Article 9 of the PA" as a standalone agenda item 10(h) under "matters relating to finance" has drawn controversy due to absence of common understanding or interpretation of the mandate, including divergent views against an agenda item.

How this matter advances in Dubai will be closely followed.

New collective quantified goal on finance

The decision from the CMA last year acknowledged "the need to significantly strengthen the ad hoc work programme on the NCQG in the light of the urgency of scaling up climate action with a view to achieving meaningful outcomes … and setting the NCQG in 2024 taking into account the needs and priorities of developing countries".

Developing countries have stressed the need to have a discussion on the quantum of the NCQG for some time now. However, developed countries have traditionally refused to engage in such discussions, attempting to push this to discussions next year.

The eighth technical expert dialogue (TED 8) took place on 28 November in Dubai, with the objective to "reflect on the work done in 2023, including progress made to date and any issues that may require further attention" as well as to "focus on forward-looking discussions to drive progress toward setting the NCQG in 2024".

Through the various TEDs held in 2023, the Co-Chairs have prepared an annual report that has identified various options on the following elements: timeframes of the NCQG, structure of the NCQG including quantitative and qualitative elements identified, ways to determine the quantum and ways of framing the qualitative elements.

Discussions at TED 8 revealed calls from developing countries for stepping up the momentum and transition to a negotiating mode next year, including by having a draft decision text.

The high-level ministerial dialogue on the NCQG scheduled for 3 December will be informed by the reports on the TEDs and submissions by Parties and non-Party stakeholders. A key issue under the NCQG ad hoc work programme will be determining the focus of the 2024 TEDs.

Key reports by Standing Committee on Finance

Another crucial issue is the adoption of the draft reports by the Standing Committee of Finance (SCF) on synthesis of views regarding ways to achieve Article 2.1(c) of the PA; doubling of adaptation finance; and clustering types of climate finance definitions in use.

The executive summaries of each of the three technical draft reports were heavily negotiated paragraph by paragraph at the SCF's 32nd session (see TWN Update).

Proposals for new agenda items

The following is the list of the proposed new agenda items:

1. Sharm el-Sheikh dialogue on the scope of Article 2.1(c) of the PA and its complementarity with Article 9 of the PA.

Article 2.1(c) deals with "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development", while Article 9 deals with the provision and mobilisation of finance by developed countries.

This item has been currently included under the CMA 5 provisional agenda as a standalone item under "matters relating to finance" and is a proposal which has been advanced by the European Union and the Environmental Integrity Group and supported by other developed countries. Some developing countries on the other hand have not been supportive of its consideration given the lack of common understanding on the meaning and intention of Article 2.1(c) of the PA.

2. Mountains and climate change: highlighting the need for the protection of vulnerable mountain ecosystems while building the resilience of mountain peoples and economies to reduce loss and damage. This is a proposal by Andorra under COP 28.

3. Special needs and special circumstances of Africa, which is a proposal by the African Group under CMA 5.

4. Doubling adaptation finance as part of the efforts towards the implementation of decisions 1/CP.26, paragraph 11, and 1/CMA.3, paragraph 18, on adaptation finance, which is a proposal by the Like-Minded Developing Countries (LMDC) under CMA 5.

5. Urgently scaling up financial support from developed country Parties in line with Article 4.5 of the Paris Agreement to enable implementation for developing countries, which is a proposal by the LMDC under the CMA/SBSTA/SBI.

6. Operationalisation of the principles of equity and common but differentiated responsibilities and respective capabilities, in accordance with Article 2.2 of the Paris Agreement, which is a proposal by the LMDC under the COP/CMA/SBSTA/SBI.

7. Seventh review of the Financial Mechanism, which is a proposal by the United States under CMA 5.

8. Mission 1.5: Positive incentives for accelerating early actions and policies that are nationally determined, which is a proposal by Brazil under the COP/CMA/SBSTA/SBI.

9. Issues related to Article 3.9 of the KP, in conjunction with paragraphs 1 and 7 of Article 21, which is a proposal by Brazil under CMP 18 for having a 3rd commitment period under the Kyoto Protocol for Annex I Parties (developed countries under the Convention).

10. Concerns with unilateral trade measures related to climate change and their potential adverse impact on equitable and just transitions, in the context of sustainable development and efforts to eradicate poverty, which is a proposal by Brazil, South Africa, India, China (BASIC) under the COP/CMP/CMA/SBSTA/SBI.

As all climate change talks go year after year, it is not going to be an easy ride in Dubai; how Parties rise to the occasion in honouring what they agreed to under the Convention and the PA will be closely watched and debated for sure.

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Dubai Climate News Update 2

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Historic decision to operationalise loss and damage fund adopted

Dubai, 1 December (Radhika Chatterjee) – The Dubai climate talks kicked off on 30 November with the adoption of a historic decision to operationalise new funding arrangements, including a fund for responding to loss and damage.

The COP 28 President, **Dr. Sultan Ahmed Al Jaber**, who is the UAE's Special Envoy for Climate Change and Minister of Industry and Advanced Technology, expressed his gratitude to the Parties after the adoption of the decision, saying, "We have delivered history today. The first time a decision has been adopted on day one of any COP. The speed in which we have done so is also unique, phenomenal, and historic. I thank you all. Getting this done demonstrates the hard work of so many, particularly Transitional Committee members, who worked so hard to get us to this point. This is evidence that we can deliver. COP 28 can and will deliver." (The decision that was adopted is available here.)

The decision was adopted without naming the fund but Dr. Al Jaber recommended that the board of the fund would "take up the matter of a name for this Fund for climate impact response".

There was applause and jubilation in the plenary hall which was followed by several countries pledging money to the fund totalling about $300 million, with the UAE announcing $100 million (see further details below).

The jubilant moment however was preceded by a more sombre mood when the 28th meeting of the UNFCCC's Conference of Parties (COP 28) began with a moment's silence requested by the Egyptian Foreign Minister **Sameh Shoukry**, as the COP 27 President, for "all civilians who have perished during the current conflict in Gaza".

Shoukry, prior to handing over the baton to the COP 28 Presidency, recalled the achievements of COP 27: "Building on previous COPs, COP 27 succeeded in delivering a number of much needed and long-awaited elements to the global climate agenda. 'Together for Implementation' was not just a slogan at COP 27, but a rather timely call to move from setting rules, frameworks and commitments, to a clear focus on the tangible implementation of these commitments on the ground."

Even as he highlighted the achievements of COP 27, he called for "a frank assessment of where we stand in relation to our collective ambition, to the stark realities of science, and to the echoing voices of impacted communities across the globe". He added that "a quick reality check in this regard should be concerning to all of us, for a number of reasons. First, because most of what we bring forward as tangible solutions and actionable commitments is based on speculation, or well wishes at most:

- That we will all be able to deliver our nationally determined contributions (NDCs), conditional and unconditional;
- That developed countries will deliver the $100 billion goal;
- That the loss and damage fund will be replenished in billions of dollars;
- That international financial institutions will be reformed to deliver all the support required; and
- That the private sector, altogether with Article 2.1.c of the Paris Agreement are the silver bullet that will unlock the flows of appropriate finance to developing countries."

"These are all mere assumptions with no evident proof in reality," said the COP 27 President.

"Secondly," said Shoukry further, "rather than increasing, climate finance from developed countries is actually decreasing in relation to the growing needs and the increased cost of finance in developing countries. The Green Climate Fund and the Adaptation Fund are but two examples of this worrying trend of decreased financial flows."

"Thirdly, the expansion of fossil fuel exploration and production, in particular of coal, in countries that previously committed to substantially phase down or in some instances completely phase out coal."

He further stated that some worrying signs like "the increased gap in renewable energy expansion and availability … and the temptation of resorting to unilateral measures, either through incentives or taxes, stifling fair competition and jeopardising multilateralism and hard-earned gains in developing nations", need to be taken seriously "as they not only erode trust in the global climate regime, but also have deep impacts and severe consequences on our ability to achieve the goals of the Paris Agreement". These signs, he said, "need to be addressed immediately and effectively if we are to remain on the right side of history, and to ensure that our collective efforts are not in vain".

Upon assuming his role as COP 28 President, Dr. Al Jaber expressed gratitude to Shoukry, saying "you have led this conference with vision, purpose, vigilance, and integrity. We are indebted to you for your service, your accomplishments and your commitment to climate progress."

Stressing the need for urgent action, he said "the road we have been on will not get us to our destination in time. The science has spoken. It has been loud and clear. It has confirmed that the moment is now to find a new road. A road wide enough free of the obstacles and the detours of the past. That new road starts with a decision on the global stocktake. A decision that is ambitious, corrects course, and accelerates action to 2030. Through the global stocktake, we have a chance to unite three core elements of climate agenda … we can finally bring mitigation, adaptation, and means of implementation, which includes finance, under one umbrella … united around higher ambition, giving clear directions on nationally determined contributions. And connecting everything we agree here to practical action in the real world."

Highlighting the need for collective action, Dr. Al Jaber said further, "We collectively have the power to do something unprecedented. In fact, we have no choice but to go the very unconventional way. I ask you all to work together, be flexible, find common ground, come forward with solutions and achieve consensus. And never lose sight of our north star of 1.5 degree Celsius because that is what I am going to stay laser-focused on."

On the issue of finance, Dr. Al Jaber said the "Presidency is committed to unlocking finance to ensure that the Global South does not have to choose between development and climate action. Let this be the year that climate finance meets the magnitude of the moment. Let this be the COP where we deliver on our promises of $100 billion." He also called for bridging the finance gap on adaptation and agreement on a robust framework for the global goal on adaptation.

On the issue of mitigation, he encouraged countries to transition away from unabated coal and establish methane net zero emission targets as part of their next NDCs. He further said that the COP 28 Presidency had made a bold choice to proactively engage with oil and gas companies, following which many national oil companies had adopted net zero 2050 targets. He stressed that the Presidency would work with other high-emitting sectors like heavy transportation, aluminium, steel and cement to accelerate decarbonisation at scale.

Simon Stiell, the Executive Secretary of the UNFCCC, calling for accelerating climate action, said Parties had the option in the global stocktake to "decide to fund this transition properly, including the response to loss and damage, and we decide to commit to a new energy system. If we do not signal a terminal decline of the fossil fuel era as we know it, we welcome our own terminal decline. And we choose to pay with people's lives. If this transition isn't just, we won't transition at all. That means justice within and between countries sharing benefits across society ensuring that everyone, women, indigenous peoples, youth, in all their diversity, have equal opportunities to benefit from these transitions."

Following the opening plenary, Dr. Al Jaber presided over COP 28, the 18th meeting of the Kyoto Protocol Parties (CMP 18) and the 5th meeting of the Parties to the Paris Agreement (CMA 5). There was a smooth adoption of agendas, following various understandings reached by Parties and the Presidency on how the new agenda items will be accommodated.

The work of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) also commenced with the convening of the 59th sessions of the two Subsidiary Bodies (SBs) in the afternoon. This was followed by a joint plenary session to hear statements from Parties.

Following the adoption of the decision to operationalise the funding arrangements and the loss and damage fund, several countries took the floor. Below are some highlights.

Highlights of interventions on the loss and damage fund

John Kerry, the US Special Envoy for Climate Change, congratulated the COP President for the early adoption of the fund in the conference. He said the US was committed to working its Congress to provide $17.5 million to the fund towards addressing "climate impact response". Laying down his expectations for the fund, he said the US hoped that the fund would be set up quickly and help address priority gaps in the current landscape of finance and draw from a wide variety of sources. The US, he said, would be submitting a detailed statement on the recommendations of the Transitional Committee. The US also offered $4.5 million to the Pacific Resilience Facility, and another $2.5 million for the Santiago Network. Kerry said the US would like "both to be recognised as key elements of the broader mosaic of support to vulnerable countries and communities as they deal with the impact of climate crisis". He ended his statement by stressing the importance of innovative sources of finance as the scale of finance required is too large for any government to do this alone.

Welcoming the establishment of the loss and damage fund, Germany's Federal Minister of Economic Cooperation and Development, **Svenja Schulze**, offered $100 million to kickstart the fund and urged everyone to deliver the same ambition on mitigation and adaptation.

Calling the moment a historic occasion, the **United Kingdom** offered £60 million, with £40 million to the new fund and £20 million to the funding arrangements, including early warning assessments. The UK also said that to ensure that the fund delivers, it was important that it receive support from a wide variety of sources.

The **European Union (EU)**, **Japan**, **Norway** and the **Environmental Integrity Group (EIG)** also welcomed the decision on the fund. The EU announced a pledge of €225 million to the fund, which included the $100 million pledged by Germany. Japan pledged $10 million for the fund.

Norway encouraged the early nomination of members to the board and expressed its disappointment that the governing instrument of the fund could not agree on language on human rights and said it would make its announcement on the fund at the World Climate Action Summit.

The EIG mentioned that difficult issues like the board, scope and allocation were postponed. (See this TWN update for details on the recommendations of the Transitional Committee on the establishment of the fund and funding arrangements.)

Egypt acknowledged the hard work put in by delegations at Sharm-el Sheikh, members of the Transitional Committee and its Co-chairs, and the secretariat in helping to finally set up the fund. Egypt further said the adoption of the decision to set up the fund brought good vibes and a good moment for COP 28 and was a testament to the fact that multilateralism was still alive.

Zambia, speaking on behalf of the **African Group**, said, "The African Group wishes to congratulate you on your strong leadership and delivering this milestone of operationalising the fund. We are also elated that you have achieved this on your first day as COP President and this sends a positive message that COP 28 is destined to succeed. We urge developed countries to support this historical outcome by making substantial pledges to capitalise this fund, consistent with the scale of losses and damages that vulnerable developing countries are experiencing. You can count on the support of the African Group to ensure we deliver on the remaining agenda items at this COP."

The adoption of the decision to establish the fund was roundly welcomed by developing country Parties, including the **Group of 77 and China**, **BASIC (Brazil, South Africa, India and China)**, the **Alliance of Small Island States (AOSIS)**, **India**, the **Least Developed Countries**, **Colombia**, **Vanuatu**, **Ghana**, **Peru** and **Maldives**.

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Dubai Climate News Update 3

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Developed countries' use of remaining carbon space must be reversed – G77/China

Dubai, 1 December (Meena Raman) – At the launch of the Dubai climate talks on 30 November, developing countries led by the G77 and China called on developed countries "who bear the greatest responsibility for the modification of the global climate system" to reverse course "in their accelerated consumption of the remaining carbon space".

In a similar vein, the BASIC group (Brazil, South Africa, India and China) expressed concern that "there has been a significant increase in the production and consumption of fossil fuels by developed countries in recent years" and encouraged "developed countries to take the lead in phasing out their own fossil fuel production and consumption, in an accelerated manner".

Ambassador Pedro Luis Pedroso Cuesta of **Cuba**, speaking for the **G77 and China**, said that "the latest Intergovernmental Panel on Climate Change (IPCC) report is clear when signalling that if current emission trends continue we will not be able to keep the temperature goal of 1.5ºC within reach with the ghastly implications that this would have to the life on the planet". He added that "the most recent analysis and data exposing the growing gap in emissions cuts of major developed countries compared to their emission reduction commitments not only confirm the above, but even more importantly reveal that those who bear the greatest historical responsibility for the modification of the global climate system are accelerating consuming the remaining of the carbon space". (The full statement of the G77/China was made available to TWN.)

"If we do not reverse this trend," said the statement, "we will see the chances for the developing countries achieving sustainable development significantly reduced, our livelihoods seriously at risk and the global inequality gap widening."

"All this is taking place in a wider context. As the recent Summit on the sustainable development goals demonstrated, we are far behind of reaching the targets that we collectively set to achieve for 2030. The impact of the pandemic in food and energy security; the unfair and restrictive measures introduced by our developed partners in the area of trade, exorbitantly increasing the cost of developing countries' exports to those markets; the serious decline in multilateral development assistance and the failure of developed countries to fulfil their commitments for the provision of the support needed by developing countries to undertake on multilateral agreements, to mention just a few, reflect a very dire scenario for the countries of the global south."

Cuba also expressed regret that "the second replenishment of the Green Climate Fund (GCF) resulted in a lower amount of total pledges from developed countries compared to the previous replenishment as well as unfulfilled pledges from the previous period – we are moving backwards in this critical juncture, rather than forwards".

Loss and damage

The G77 and China welcomed the adoption of the decision on the loss and damage fund and "looked forward to a quick start-up of the fund and to its capitalisation, by developed countries, especially through grant-based contributions, commensurate with the scale of the loss and damage sustained by developing countries".

Global stocktake (GST)

"To have strong and substantive decision on the GST is a priority for the Group," the statement said, adding that it must be "in accordance with the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), in the light of different national circumstances, for achieving our common objective of enhancing the collective ambition of action and support and international cooperation under the Paris Agreement".

"We also need a concrete signal from developed countries that they are committed to course correct and to take the lead in filling the ambition and implementation gaps. The GST outcome should be informed by an assessment of the gaps and failure of implementation, including ensuring the means of implementation in the period prior to 2020," said the statement further.

For the G77 and China, said the statement, it is critical for the enhancing of action and support "to be in the context of promoting sustainable development, poverty eradication and economic diversification, taking into account the needs of developing countries in terms of sustainable development and just transitions. The outcomes should inform new nationally determined contributions (NDCs) in an effective way".

The statement also said that "a key message for the GST is that response measures within the process should study, assess and address the implications of all discussed policies of countries' societies and economies. In a context when we are all doing efforts to increase our climate action, it's an issue of serious concern the growing impact of unilateral economic coercive measures on the capacity and ability of developing countries to meet their obligations under the Convention and the Paris Agreement".

Adaptation

The G77 and China also stressed the need "to adopt a robust and integral Global Goal on Adaptation (GGA) framework that takes into account equity and CBDR-RC, sustainable development, as well as different national circumstances, needs and priorities of developing countries", adding that the GGA work programme needs to conclude "with a substantive framework, including ambitious targets that deliver on the need for increasing adaptation action and support". In addition, it called for "the GGA and its framework outcome" to "include the establishment of the GGA standalone agenda item, development of indicators to track progress, and assessment reports".

The G77 and China also highlighted that "the 2023 Adaptation Gap Report places the financing gap for adaptation between $194 and 366 billion per year. Even if we double the current finance allocated to adaptation by 2025, this gap would only be reduced by 5-10%. A drastic increase of adaptation finance is needed from developed countries for developing countries now".

Just transition pathways

The G77 and China also said that "the overarching context in which climate action needs to take place is delivering on sustainable development and poverty eradication". On the establishment of a new work programme on just transition pathways, the Group looked forward to "this work programme supporting a whole-of-society and all-of-economy transition, to achieve more equitable and sustainable societies, within a more just world", adding that "it must also have a holistic approach that transcends mere mitigation or sector-specific focuses, embracing all three dimensions of sustainable development. This vision of addressing not only the environmental but also the economic and social realities of climate change and ensuring climate justice, is premised on each Party having the sovereign right to choose its own developmental pathway towards shared objectives".

"The work programme must not confine to the energy sector or specific regions; it is a universal commitment to a just transition that includes everyone: workers, impacted communities, and businesses, especially small and medium enterprises that face unique challenges during this transition. In this sense, the Group underscores that the just transitions must be equitable, inclusive, and sustainable for all."

Means of implementation

The G77 and China said that "the continued failure of developed countries to meet their commitment to jointly mobilise $100 billion per year by 2020 and through 2025 is a serious concern" and "is one of the main reasons of the lack of trust in the process. Guaranteeing tangible progress and transparency in the finance agenda is, therefore, key to the success of COP 28. We would also like to see us move forward on the procedural and substantive discussions on the new collective quantified goal (NCQG)" on finance.

The Group expressed grave concern "about the attempts to deviate the discussion on the fulfilment of existing obligations of developed countries through twisted interpretations of Article

2.1(c) of the Paris Agreement that are adversely impacting developing countries as we stand here today, and any interpretation of the article should be complementary to Article 9".

Technology transfer

Regarding technology transfer and cooperation, the Group underscored "the need for trillions of dollars in funding per year to meet the needs of developing countries. Neither adaptation nor capacity building are contemplated in this figure. The Technology Mechanism is the UNFCCC instrument for facilitating technology development and transfer towards climate resilience and low GHG [greenhouse gas] emission development, but is constrained by the lack of funding. We urge developed countries to increase funding for this mechanism, particularly for the Climate Technology Centre and Network (CTCN), and emphasise the need for enhanced support for national designated entities and to build upon local institutions and networks".

Sub-groups of the G77/China echoed the remarks of Cuba.

Brazil, speaking for the **BASIC** group, called on all Parties "to reinforce their strong commitment to the UNFCCC, its Kyoto Protocol and its Paris Agreement, guided by its principles and provisions", stressing that "now, more than ever, is the time to strengthen multilateralism and reject unilateralism".

It said the GST "is the space we consider where we were, where we are, how did we get here, and where we want to be", adding that "developed countries must honour their historical responsibilities or recognise they have failed or have no willingness to fulfil their legal obligations of taking the lead in climate change. Such honesty is essential for responsibly aligning narrative and action, as we cannot negotiate with the atmosphere".

Brazil said that the outcome of the GST "must unleash unprecedented international cooperation and effectively recognise outstanding implementation gaps, and provide assurance that developed countries' obligations to take the lead in mitigation and to provide the means of implementation and support will be met".

"Strongly committed to multilateralism", BASIC looked forward to "a GST that addresses concerns with unilateral and coercive climate change related measures that constitute a disguised restriction on international trade". It opposed "all forms of unilateralism and protectionism", adding that "such measures seriously undermine multilateral cooperation and the ability of the concerned countries to combat climate change". It stressed that Parties "should also collectively question any measures to restrict trade and investment and setting up new green trade barriers, such as unilateral carbon border taxes, with the pretext of addressing climate change, which are incompatible with multilateral rules and principles both under the UNFCCC and the World Trade Organization".

BASIC also noted with concern that "there has been a significant increase in the production and consumption of fossil fuels by developed countries in recent years" and encouraged "developed countries to take the lead in phasing out their own fossil fuel production and consumption, in an accelerated manner".

Bolivia, speaking for the **Like-Minded Developing Countries**, expressed "its deepest solidarity with the people of Palestine and strongly condemned the loss of civilian lives in the conflict".

It also underscored that "the process must be Party-driven, inclusive and transparent, with no parachuting of texts, and for text to emerge from Parties' views followed by line-by-line negotiations on all the issues, including the GST".

On the GST, the LMDC stressed "the differentiation of commitments, historical responsibility and legal obligations of developed countries for their leadership in mitigation and provision of finance, technological transfer and capacity building to developing countries, including for the latter to reach net-zero and net-negative as soon as possible and to allow equitable access to the global carbon budget". It also called for the outcome to "reflect explicitly the failures of pre-2020 developed countries' obligations and their impacts on our collective progress and the carbon budget".

The LMDC also expressed concern that "the second replenishment of the GCF resulted in lower levels of pledges compared to the first replenishment and that furthermore, no solid evidence indicates that the $100 billion (per year) has been achieved". It also added that the lack of transparency and accountability due to the lack of an agreed definition of climate finance "does not allow us to measure what our partners claim to be climate finance", and hoped that the operational definition of climate finance would be updated.

It also recalled that the decision in COP 26 was to at least double adaptation finance, adding that "we must not confine ourselves to a lower bound and recognise that the amount is really minuscule considering the annual adaptation finance requirements of our countries".

Zambia, for the **African Group**, said that "the Adaptation Gap Report, the Emissions Gap Report, and the report on delivery of the $100 billion are all clear, we are off-track in meeting the goals of the Convention and the Paris Agreement". It noted with concern that "global greenhouse gas emissions increased by 1.2% from 2021 to 2022, to reach a new record high, resulting in accelerated climate risks and impacts worldwide, and hence exacerbating poverty in developing countries". It also noted that "the adaptation finance gap is widening, reaching an estimated $366 billion per year", and expressed regret that the Adaptation Gap Report states that climate finance to developing countries had decreased by 15% in 2021.

Saudi Arabia, for the **Arab Group**, echoed the statement of the G77/China and in addition expressed condemnation of the Israeli aggression on Gaza and the war crimes committed there, stressing the need to stop the war immediately.

Other groupings of developing countries, as well as developed countries, also delivered their statements.

TWN
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A forceful call for climate action by world leaders

Dubai, 2 December (Eqram Mustaqeem) – The second day of the COP 28 Dubai climate talks on 1 December witnessed the convergence of over 100 world leaders for the opening of the World Climate Action Summit, which marked the start of the day's itinerary packed with high-level ministerial events. The world leaders made a forceful call for climate action.

The Summit commenced with a welcoming speech delivered by the **President of the United Arab Emirates** (**UAE**), **Sheikh Mohamed bin Zayed Al Nahyan**, followed by a call to action by the **UN Secretary-General, Antonio Guterres**. The distinguished speakers list continued with the **King of the United Kingdom**, **King Charles III**, and the **President of Brazil**, **Luiz Inácio Lula da Silva**. The opening of the Summit ended with an address by **Isabel Prestes Da Fonseca** from **Brazil**, representing the voice of the indigenous peoples.

The **President of the UAE** pointed out that "this meeting comes at a time when the world faces many challenges, the most significant and crucial of which is climate change and its impact on all aspects of life". He continued by highlighting the UAE's record in climate action, emphasising its prior financial commitment of investing $100 billion in climate action primarily on renewable and clean energies, with a further commitment to invest approximately $130 billion over the next seven years.

Noting the lack of readily available and affordable climate finance being an obstacle to advancing climate action globally, the President of the UAE announced the establishment of a $30 billion fund for global climate solutions to bridge the climate finance gap, ensuring availability and accessibility, as well as affordability at scale with the final objective of stimulating the collection of $250 billion in investments by 2030.

The **UN Secretary-General** congratulated the COP 28 UAE Presidency for the swift adoption of the landmark decision for the operationalisation of the loss and damage fund (which happened on the opening day of the COP). He remarked that "we are facing a sickness that is bringing the climate to its knees; a sickness that only global leaders can cure", adding that "the Earth's vital signs are failing" and that "we are miles away from the goal of the Paris Agreement and minutes to midnight for the 1.5°C limit and we can only prevent planetary crash and burn if we act now".

Guterres stated that the world is unequal and divided, that bombs are sounding again in Gaza, and climate chaos is fanning the flames of injustice, global heating is bursting budgets, ballooning food prices and upending energy markets and feeding a cost-of-living crisis, but climate action can flip the switch. He remarked that the diagnosis is clear.

"The success of the COP depends on the global stocktake (GST) prescribing a credible cure in three areas: firstly, by drastically cutting emissions," Guterres said, adding that "the G20 that represents 80% of the world's emissions must take the lead in emission cuts" and urging countries to "speed up their net zero timeline – 2040 for developed countries and 2050 for emerging economies".

"Secondly, by accelerating a just and equitable transition to renewables. The science is clear; the 1.5°C target is achievable only if we stop the burning of all fossil fuels, a phase-out is needed, not reduce, not abate, but a phase-out with a clear time frame aligned with 1.5°C."

"Thirdly, climate justice is long overdue; developing countries are devastated by disasters they did not cause, extortionate borrowing costs are blocking their national climate action plans and support is far too little and far too late. The GST must result in a surge in finance for adaptation and loss and damage and it must support reform of the multilateral development banks to leverage private finance at minimal cost for developing countries."

The Secretary-General further remarked that developed countries must show how they will deliver the financial promises of doubling adaptation finance to $40 billion a year by 2025 as well as the annual $100 billion target. He concluded his speech by urging world leaders to show leadership in protecting the climate and make this COP count.

King Charles III asked world leaders to consider some practical questions to inform their tasks: how multilateral organisations which were established at a different time for different challenges could be strengthened for the climate crisis, and the question of bringing together public, private, philanthropic and non-government organisations in delivering climate finance. He stated that public finance alone would never be sufficient, but with the private sector trillions of dollars could be mobilised to drive the transformation we need.

He further asked how we could bring together different solutions and initiatives to ensure coherent long-term approaches across sectors, countries and industries and on accelerating innovation and the deployment of renewable energy, clean technology and other green alternatives to move decisively towards investment in this vital transition across all industries, and on how we could forge an ambitious new vision for the next 100 years.

Lastly, he asked how we could draw on the extraordinary ingenuity of our societies, the ideas, knowledge and energy of our young people, our artists, our engineers, our communicators and importantly our indigenous peoples, to imagine a sustainable future for people everywhere, a future that is in harmony with nature, not set against her.

King Charles III ended his speech by emphasising that we are all connected, not only as human beings but with all living things and all that sustains life, and that the earth does not belong to us, we belong to the earth.

The **President of Brazil** began his forceful speech by quoting Nobel laureate Wangari Maathai of Kenya: "The generation that destroys the environment is not the generation that pays the price."

Lula emphasised that the Intergovernmental Panel on Climate Change (IPCC) has warned that we only have until the end of this decade to avoid global warming going beyond 1.5°C and that 2023 is already the hottest year in the last 125,000 years, with humanity suffering from natural disasters that are more extreme and frequent, resulting in a lot of destruction and death.

Lula stressed further that the planet is tired of neglected goals to reduce carbon emissions and climate agreements that were not fulfilled, adding that financing to the poor never comes, as they are only elegant and empty speeches without concrete actions.

The Brazilian President highlighted that only last year, the world had spent more than $2 trillion on weapons, amounts that could be invested to fight hunger and to confront climate change. "How many tons of carbon were emitted by missiles that cruise over the skies and fall over innocent civilians, mainly children that are hungry?" he asked, adding that "the amount that has to be paid for climate change is not the same for all and the first ones to pay the price are the poor".

He continued by saying that "the richest 1% of the planet emits the same volume of carbon as 66% of the global population" and that "the world has naturalised the unacceptable disparities in terms of income, gender and race". He added that "confronting climate change must come with fighting inequalities as those who are in hunger have their existence imprisoned by the pain in the present and become incapable to think about the future, about tomorrow".

Lula recalled that in 2009, when he participated in COP 15 in Copenhagen, the climate change regime almost collapsed as the negotiations failed, and a great effort was needed to recover the trust and achieve the Paris Agreement in 2015. He said he sees parallels of that potential collapse today through the non-fulfilment of the climate commitments that erodes the credibility of the multilateral regime, and it is important to rescue it.

The Brazilian President continued by saying it is inexplicable that the UN shows itself as incapable in keeping peace simply because some of its members profit from war.

He also said it is regrettable that the agreements from the Kyoto Protocol of 1997 or the Paris Agreement of 2015 are not being implemented.

Lula said further that Brazil has climate change goals that are more ambitious than those of many developed countries and is willing to lead as a role model for climate action. Now is the time, he said, to face the debate about the slow-motion pace of the decarbonisation of the planet and to work towards an economy that will be less reliant on fossil fuels in a way that is urgent and fair.

He concluded by saying that all of us must aim to make the world capable of hosting with dignity the totality of its inhabitants and not only a privileged minority.

Isabel Prestes Da Fonseca said that only 2% of her indigenous community's sacred biome still survives and that the Zag Tree, their millennia-old ancestor, is on the verge of extinction. She noted how their ancestors had predicted and warned about the future when the world would need their indigenous knowledge. She emphasised that we are no longer just protecting the future, but protecting against what is happening now. She ended her speech by inviting everyone to join the climate mission and become part of this journey for the regeneration of nature and life.

Shortly after, at the ceremonial opening of the high-level segment for heads of state and government, the **Prime Minister of India, Narendra Modi**, delivered his speech and stated that despite India being home to 17% of the world's population, their share of global carbon emissions is less than 4%. He highlighted further the need to increase climate finance commitments from billions to trillions.

Modi then mooted India's Green Credits Initiative, a campaign that goes beyond the commercial mindset associated with carbon credits, where it focuses on creating carbon sinks through community participation.

The Indian premier also stressed that "We don't have much time to correct the mistakes of the last century. Over the past century a small segment of humanity has indiscriminately exploited nature; however, the entire humanity is paying the price for it, especially people in the Global South".

He also stressed the need to give all developing countries their fair share of the carbon budget and to move climate action forward by maintaining a balance between adaptation, mitigation, climate finance, technology and loss and damage. He emphasised that the energy transition should be just, inclusive and equitable.

Modi ended his speech by underlining India's commitment to the UNFCCC and offered to host COP 33 in 2028 in India.

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Divergences over whether $100 billion goal reached in 2023

Dubai, 2 December (Indrajit Bose) – Parties outlined their expectations and elements for a draft decision in the first contact group on long-term climate finance (LTF) convened on 1 December at the ongoing COP 28 in Dubai.

Differences arose over whether and how to capture progress on the $100 billion goal of developed countries. While the developed countries wanted to reflect the latest report by the Organisation for Economic Cooperation and Development (OECD) which states the goal appears to have been reached in 2023, developing countries responded that there is no place for conjecture in relation to numbers on climate finance.

Speaking for the **G77 and China**, **Honduras** emphasised that the LTF conversation needs to continue until 2027 and that the work under LTF is critical for accountability and tracking the $100 billion goal of developed countries. Honduras expressed grave concern over the continued failure of developed countries to fulfil their commitments and highlighted that the lack of a common definition of climate finance caused further bottlenecks in tracking the goal. It also drew the attention of Parties to the Standing Committee on Finance (SCF)'s progress report on the $100 billion goal, to be released next year, and said it is *the* report to follow in terms of tracking the goal rather than relying on projections by other reports. Honduras also highlighted that climate finance in its existing shape is leading to more debt for developing countries, resulting in increased vulnerability.

Egypt, for the **African Group**, said the idea of LTF is not to just take note of whether developed countries are on track in delivering, but to also look at the gaps. It said that the decision must build on the high-level roundtable held in Sharm el-Sheikh, Egypt, last year on the issue, and reflect challenges around transparency and methodology of accounting, among others. It also cautioned against reflecting on "trends and expectations" instead of focusing on what has been delivered, adding that the decision must feature the issue of debt and how burden sharing is implemented among developed countries in the context of the $100 billion goal.

India, for the **Like-Minded Developing Countries** (**LMDC**), said in 2022, there was a "belief" that the goal had not been reached and a view proposed that developed countries were "hoping to" reach the goal in 2023. Now a report says the goal is "perhaps reached", it said, adding however that "when we talk of a goal, there is no place for conjecture". It is an exercise of looking at hard numbers on whether the goal had been reached or not, and the discussion should be fact-based rather than jumping to some conclusion. India stressed that agreement on a clear operational definition of climate finance would resolve a lot of issues related to transparency. On pledges, it said that there is a need to distinguish between pledges and finance mobilised. "Pledges may be much more. What finally gets mobilised, gets delivered, those aspects are important here," stressed India.

Saudi Arabia, for the **Arab Group**, stressed that according to all the reports, the $100 billion goal had not been fulfilled and that the group did not want to engage in a hypothetical conversation. Referring to some reports, it said if some of the numbers being floated were assessed in grant equivalence methodology, they would be much lower than what such reports claimed. Lamenting the sorry state of affairs with respect to climate finance, Saudi Arabia expressed alarm that the second replenishment of the Green Climate Fund had resulted in a lower amount than the first replenishment. It also stressed the need for finance for all technologies, including carbon abatement technologies, and for this to be reflected in the decision.

Samoa, for the **Alliance of Small Island States (AOSIS)**, expressed surprise at the narrative that seemed to suggest that the mission had been accomplished. It reiterated that the $100 billion goal was a far cry from the needs of developing countries and said that the decision must recognise challenges of access, including "bilateral access", which is "not transparent and a huge part of the information". It added that issues around fiscal burden and debt were very important to the group and finance support was putting island states in further debt. "Those who are contributing are profiting off the SIDS [Small Island Developing States]. It is not fair on us," it said further.

Colombia, for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, also expressed concern about the $100 billion goal being "largely overdue" and called for the decision to be based on "facts and not estimations or what we hope they could be". It also said that even if the pledges are acknowledged in the decision, there is still huge room for improvement. It said further that they would like to see in the decision elements of quality of finance and a strong message on improving access to finance. It also expressed concern about the gaps in adaptation finance and called for scaling up adaptation finance to also feature in the decision.

Gambia, for the **Least Developed Countries (LDCs)**, said the OECD analysis had indicated that the $100 billion "might have been met", while other reports estimated that only one-third of the amount had been realised. It also expressed concern in relation to the gap in funding adaptation and highlighted the difficulties in accessing climate finance, especially adaptation finance. Gambia underscored the need for a substantial increase for grant-based finance and the importance of prioritising scalability, the need to establish climate finance definition and to address concerns in relation to the debt burden.

China noted that the promise of $100 billion was made in COP 15, which was 14 years ago. The commitment remains unmet, and it is three years overdue. It further said that accountability and transparency are compromised without a clear definition and different methodologies, and that the lack of fulfilment raises serious questions about the political will of the developed countries.

Switzerland, for the **Environmental Integrity Group (EIG)**, agreed that there is "de facto no reliable information" on whether developed countries have met the goal in 2023 or not, but said that in the decision on LTF, it would like to see welcoming of the "trend and information" out there, including the Climate Finance Delivery Plan. It also said the decision could note with concern that the goal was not met in 2021 (the data analysed is from 2021) and that there should be something in the decision in welcoming pledges by countries.

The **European Union (EU)** said it would like the OECD data reflected in the decision along with the pledges made at COP 28. Referring to the OECD report's projections as exceeding future projections, it said that it was "very good news". The EU also said that they were doing their "fair share", which was important to recognise.

The **United States (US)** welcomed the "positive news" from the OECD report and said that the report was not based on projections but on "preliminary backward-looking data" and therefore worth looking at. It also said that mobilisation of finance had exceeded projections, which needed to be welcomed in the decision.

Following discussions, the Co-Chairs of the contact group informed Parties that they would prepare a draft text and make it available for the consideration of the Parties.

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Diverging views on new finance goal

Dubai, 4 December (C. Radhika) – Governments discussed the way forward on determining the new collective quantified goal (NCQG) on climate finance at a high-level ministerial dialogue held on 3 December as part of the Dubai climate talks.

Discussions showed the divergence of views between developed and developing countries around the sources, timeframe, quality and quantum of the NCQG.

There were also differences around the issue of the modality of work next year on the NCQG. Developing countries indicated a preference for working towards a negotiated text at a technical level, while developed countries expressed a need for greater political guidance in the process.

(The Conference of the Parties to the Paris Agreement (CMA) last year acknowledged the need to significantly strengthen the ad hoc work programme on the NCQG in order to set the new finance goal in 2024, taking into account the needs and priorities of developing countries. The work programme spans the period from 2022 to 2024 and is responsible for conducting four technical expert dialogues (TEDs) each year. The TEDs and the high-level ministerial dialogues are organised in a process with each informing the other.)

On the question of sources, developed countries stressed the need to rely on the private sector and expand the contributor base, while the developing countries highlighted the need for finance to be largely derived from public sources.

Some developed countries also emphasised the need for aligning finance flows in light of Article 2.1(c) of the Paris Agreement (PA), adding that the finance should go to the most vulnerable countries. (Article 2.1(c) speaks of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".)

Developing countries underlined the need for the NCQG to be new, additional and predictable, the basis for which must be data on the needs and priorities of developing countries.

Regarding the timeframe for the new goal, most developing countries expressed a preference for a shorter timeframe of five years, with proper review mechanisms, to ensure the delivery of pledges made. Some developed countries on the other hand showed a preference for a long-term "aspirational" and "actionable" goal that could extend up to 2050, but with a shorter timeframe of 10 years.

The ministerial dialogue was presided over by **Yasmine Fouad, Minister of Environment of Egypt**, and **Stephen Guilbeault, Canadian Minister of Environment and Climate Change**. The dialogue was kicked off by **Dr. Sultan Ahmed Al Jaber, the COP 28 President**.

Urging the delegates to maintain the momentum of COP 28, **Dr. Al Jaber** said, "We are here to discuss the most important topics – finance and trust. We took a huge step forward on day one of COP 28 [referring to the adoption of the decision to operationalise the loss and damage fund]. There is much more that we can and we should do. We may now be close to $100 billion goal. But we cannot repeat same exercise on NCQG. We must learn lessons or we will just create another trust deficit which we should not repeat nor can afford." He said there was a need for the process "to work towards an NCQG that meets the expectations of the Global South, with a clear plan to deliver".

Simon Stiell, Executive Secretary of the UNFCCC, said that climate finance should be viewed as "an investment, not a cost". Mentioning the total climate finance figures reached in 2022, he pointed out the sobering fact that a majority of it went to developed countries. He said the NCQG would require a strong outcome on the ambition, as without that, the needed course correction would not happen.

Highlights of key interventions made at the dialogue

Spain, speaking on behalf of the **European Union (EU**), said that the NCQG would be a key element of the overall climate finance goals at COP 28 and reaffirmed its commitment to assist with finance. The EU said the NCQG must reflect "dynamic reality and capture new realities" (in an apparent reference to broadening the contributor base).

On sources of finance, the EU said, "We need a new goal to respond to the current challenges; a goal that looks beyond public finance." It added that there was a need to "align all finance flows to the PA". It also pointed out that "the mobilisation of climate finance needs to be a global effort and requires an expanded contributor base".

The EU also mentioned carbon pricing mechanisms, guarantees, equities, and levies on the fossil fuel sector in accordance with the principle of polluter pays as means of leveraging finance for the NCQG.

Regarding the timeframe, it expressed preference for a 10-year timeframe to indicate climate actions. On the quantum of the goal, the EU said it "cannot be reduced to a single figure". Speaking about the need for taking into account qualitative aspects of the goal, the EU acknowledged the need to think about how to structure debt relief. It also said there was a need to be transparent, and therefore it was critical to track the goal, which was one of the important lessons learnt from the past.

Germany said that the stakes are quite high for the NCQG. "We all know the temperature rises that we are already seeing now, what that means for people and the most vulnerable countries. Having this dialogue where we have technical inputs is so important to understand the science of these requirements" (in reference to the TEDs).

"We have worked on temporal scope, structure, quality, quantitative elements of the goal. We need a new kind of goal, one that acts as key enabler for climate action both in mitigation and adaptation," it added.

Germany said there is a need to think and act big and to consider all sources of finance, pointing to the need to develop innovative sources and think about how those innovative instruments could be developed, with public finance at the core, as well as both private and domestic investments that need to come in. In this context, Germany also made a reference to Article 2.1(c) of the PA.

On the timeframe of the goal, Germany shared that a shorter-term goal of 10 years is a good timeframe, adding that the timeframe, nature of the goal and the contributor base have to be dynamic.

Acknowledging the problem of debt that many countries are facing, Germany said there is a need for a broader debate for making the financial architecture fit for purpose so that it could deliver on the challenge. The goal "needs to be both granular and comprehensive" and should be clear on the purpose, it said, adding that more thought needs to go into how the goal takes the needs and priorities of developing countries into account.

Australia said that the NCQG must help deliver the goal of keeping 1.5°C within reach. "To achieve these we must maximise scale and impact. The new goal must include public finance. But we must do so much more. Public finance alone will not get us anywhere in terms of needs required," said Australia.

It added that "we need to equip the goal so it is fit for purpose, with the intent of crowding in, mobilising, and scaling up. We have to ensure that the new goal includes both public and private finance, both provided and mobilised."

Regarding the sources, Australia highlighted that "in terms of contributors, we have to acknowledge that the world has changed since 1992 when we first chose the countries listed in the annexes [to the Convention]. We are arguing that climate finance must come from as broad a base as possible".

On the way forward, it believed that "the technical process has done well so far but we do need to change gears now. We need to move from elements to text. We see the need for ministerial engagement in the process to guide the technical process".

Switzerland expressed the need for early political engagement in the NCQG process for the next year. On the question of sources, it said, "We would like to see a broadening of donor base, sources and scope … International public finance plays a big role. But it won't be sufficient. We will need all sources of finance – public, private, international and domestic. We will need a dynamic contributor base and also build on capacities of countries and Parties. We need to take into account the changing responsibilities considering the past, present and future emission of Parties."

"This goal should focus on supporting those who are most in need, including the most vulnerable countries," added Switzerland.

Speaking about the timeframe, it said "we see this goal as a long-term aspirational goal of 2050, with near-term actionable goal of 2035, paving the way for 2050".

The **United States (US)** said, "We should ensure that the NCQG supports the effort to unlock the trillions. The core question for this is what is the best way to achieve finance at scale." The US elaborated on various options discussed by the TEDs regarding the possible funding mechanisms, but concluded its intervention by saying "we don't think the time is right to narrow options this year or to take decisions on specific aspects".

Norway, **Ireland**, **France**, **Japan**, **Belgium**, the **United Kingdom** and **Italy** made similar points in their interventions.

Norway said that while the TEDs helped clarify the significance of the goal, "in 2024 we need to find a balance between the technical and political process", and expressed a preference for increased political guidance in this process.

Italy said there were many options for political engagement on the way forward in the NCQG process. For instance, "there could be a political facilitator in 2024 and the next high-level ministerial could take place in June".

Belgium said "visionary and clear political guidance is needed – the political level needs to be closely engaged with the process next year".

Bolivia, speaking on behalf of the **Like-Minded Developing Countries (LMDC)**, said that climate finance has been a sore issue for developing countries. It pointed out that the goal of $100 billion per year by 2020 remains ever elusive, while the needs of developing countries to tackle climate change run into trillions of dollars. In an apparent reference to a recently published OECD report on the status of the $100 billion goal being likely met in 2022, it said, "It is deeply concerning that we are still talking about the likelihood of the $100 billion goal having been met, three years after the deadline. This is not to say we have any clarity on the quality of whatever has been achieved so far." Learning from the lessons of the $100 billion goal, Bolivia said it was important to be able to track the new goal.

On the question of relying on the private sector for mobilising resources for the goal, it said, "Let us also have a frank conversation here. The private sector has not delivered. The constant push to rely on the private sector to fulfil the obligations of developed countries has left a gaping hole in meeting the needs of developing countries."

Bolivia said "there is no replacement for public finance and going into the NCQG, grant-based public finance from developed countries must remain the source of finance under the climate regime based on historical responsibility and common but differentiated responsibilities (CBDR) [between developed and developing countries] and on the obligations outlined in Article 9 [of the PA]".

Bolivia further stated that progress could be made by keeping in place "certain foundational elements, such as differentiation between developed and developing countries and the obligations of developed countries to provide and mobilise climate finance" to frame the goal. "All discussions within finance must proceed in line with the principles and provisions of the Convention and its PA, and these should not be called into question or opened for discussion, in particular equity and CBDR. The obligations and responsibilities outlined in Articles 9 and 2.2 of the PA shall frame the discussions," it added.

Regarding the timeline of the goal, Bolivia said it should be for a period of 2025-30 with a renewal of the goal, including a revision of the quantum.

On the way forward, Bolivia said that "the 2024 process within the ad hoc working programme (AWP) must be a facilitated negotiated space for Parties to drive textual-based negotiations, based on the annual report of the AWP Co-Chairs. This AWP would have to meet at least thrice in 2024, to work on negotiated text that would lead to the final consideration of the new goal at COP 29".

Emphasising the need for a Party-driven process in setting the NCQG, Bolivia said "Parties may wish to continue work in the TEDs as a complementary process, but it is not a substitute for Party-driven negotiations".

It said further that lessons learnt from the past indicate that there is a need for discussions to continue at the technical level, rather than be driven by the political level.

"The $100 billion goal was determined in a purely political process and the number was determined from thin air – not based on needs and priorities and not reflective of technical deliberations. CMA 6 must set a quantum taking into account the needs and priorities of developing countries as outlined in the Needs Determination Report (NDR) [produced by the Standing Committee on Finance]," Bolivia said, adding that it looked forward to the updated NDR next year.

Bangladesh and **Gambia**, who both spoke on behalf of the **Least Developed Countries**, stressed the need for continued and periodic reviews to ensure delivery of pledges. "The funding should be transparent and additional to ODA [official development assistance]." Gambia said given that the least developed countries are at the forefront of climate impacts, a specific portion of the goal should be allocated for those that are most vulnerable.

Samoa, speaking on behalf of the **Alliance of Small Island States (AOSIS)**, said the TEDs cannot legally produce a text for negotiations. Sharing an indicative structure for the goal, Samoa said there is a need for differentiated sub-goals for adaptation, mitigation, and loss and damage.

Regarding the timeframe of the goal, Samoa said it could be an annual goal with a 10-year review period and have a review process like that of the global stocktake or like the Intergovernmental Panel on Climate Change (IPCC) process.

AOSIS shared a preference for political guidance in which the process would have to ensure that the COP President engages broadly in an inclusive and transparent manner.

Regarding the quantification of the goal, Samoa said it should be based on the articulated needs and priorities of developing countries, particularly the Small Island Developing States, with a clear focus of 10 years. The "quantum must ensure that all Parties are able to accelerate climate action in this critical decade", it added.

Pakistan said that "climate finance is the key to unlocking ambitious climate action by developing countries. There is a need to define what climate finance means to ensure there is no double counting. Setting an NCQG presents one of the most critical and pivotal opportunities to accelerate global climate action and enabling developing countries in climate action".

Speaking about the quantum of the goal, Pakistan said it cannot be arbitrary. The $100 billion goal was "a political number. We need to correct that. We need to base it in science".

It also mentioned four principles for guiding the goal. "First, that the goal should be set from a floor of $100 billion, and going upwards, keeping in mind that developing countries need trillions of dollars per year." Citing different estimates from the NDR and the Adaptation Gap Report, Pakistan highlighted that the needs would change every year.

"Second, the NCQG must be based on best available climate science and data. Third, the formulation and operation of the NCQG should be bound within the UNFCCC and the PA, anchored on justice. Fourth, the goal should be dynamic in nature and periodically updated."

In terms of the structure, Pakistan said that the "NCQG must be established as a matrix" that would address mitigation, adaptation, and loss and damage, with specifics on qualitative and quantitative aspects. The goal, it said, should be new, predictable and additional.

Speaking about the sources and modalities of the goal, it said "all finance flows under the NCQG must be easily accessible to developing countries", adding that at least half of the modes of finance should be grant-based.

Pakistan also said that the NCQG should be framed keeping in mind the goals of sustainable development and poverty eradication.

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Just transition should not have a deadline, say developing countries

Dubai, 4 December (Hilary Kung) – The first draft negotiating text on the work programme on just transition pathways saw stark differences between developed and developing countries on how they envision the work programme at the ongoing Dubai climate talks.

Developing countries stressed the importance of "justice" in the transition, which they said should not have a deadline.

India warned against the casual use of the term "pathways", especially when the pathways that are being referred to are the global modelled pathways of the Intergovernmental Panel on Climate Change (IPCC), because "equity and justice are not considered in the global modelled pathways, as acknowledged by the IPCC".

The current draft text also does not have any reference to the principles of equity and common but differentiated responsibilities (CBDR), which are fundamental and repeatedly mentioned by developing countries, such as the G77 and China and its sub-groups, including Saudi Arabia for the Arab Group, Bolivia for the Like-Minded Developing Countries (LMDC), and Brazil for Argentina, Brazil, Uruguay (ABU).

(A new and significant outcome from the 4th Conference of the Parties to the Paris Agreement (CMA 4) last year was the decision to establish a work programme on just transition on the pathways to achieve the goals of the Paris Agreement (PA). The decision also noted that the global transition to low emissions provides opportunities and challenges for sustainable economic development and poverty eradication, and emphasised that just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition.)

The third informal consultation held on 3 December was co-facilitated by **Selam Abeb (Ethiopia)** and **Luisa Roelke (Germany)** to hear reactions from Parties on the draft text. Parties were also encouraged to submit written inputs.

Speaking for the **G77 and China**, **South Africa** said that in general, developing countries do not see the text reflecting their views, nor does it reflect the discussions and contributions from the workshop held under the programme. The group said it will aim to send inputs or proposed text to be included in the second iteration of the text.

However, developed countries that spoke after the G77 and China said completely the opposite. The **Environmental Integrity Group (EIG)** and **New Zealand** welcomed the draft text, saying that it is a good basis to work on and reflects a lot of views in the room through the workshop and submission process, and that "nothing comes as a surprise".

Brazil for **ABU** commented that the Parties' reactions to the draft text are a testament to how "unjust" it can be.

In terms of the timeline of the work programme, **Mexico** on behalf of the **EIG**, **New Zealand,** the **United Kingdom (UK)** and the **United States (US)** envisioned a three-year work programme that continues until CMA 8 (2026), with a view to deciding during CMA 8 whether the work programme will be continued, alongside the mitigation work programme (MWP), given its complementarity to mitigation.

The **European Union (EU)** expected a shorter timeframe of a two-year work programme and asked for this to be added as one of the options in the draft text. The EU said the two-year work programme can serve as input to unlock mitigation ambition in the next round of the NDCs.

The short timeframe pushed by developed countries drew sharp reactions from developing countries who expected a longer-term work programme.

Brazil, for **ABU**, said that the mandate is clear in the agreement to reflect equity and CBDR. Elaborating further, Brazil said the outcome decision of the work programme will probably be the most consequential from this CMA. Acknowledging that distributive justice is not easy, it said further that we need a regime that allows us to bring attention to all the issues to guarantee that the transition is "just" and there is a space where we can openly discuss the impacts and justice – hence the need for a work programme that is long-term.

India said "justice does not have a deadline after all", while explaining further that the development options in developing countries are constrained by the need to contribute to climate change mitigation while also adapting to changes that they are not responsible for. Acknowledgement of this double burden, and the need for justice in this context, is important, not just in this critical decade but also in the long term.

"There is really no basis to keep out these important principles of justice that are embedded in the Convention and its PA. The very potential for the exploration of just transitions within developing countries is hindered by continued global inequalities and denial of the fair share of the carbon budget to ensure poverty eradication, sustainable development, and the well-being of our peoples," said India.

India also warned against casual use of the term "pathways", especially when the pathways that are being referred to are the global modelled pathways of the IPCC. This is because equity and justice are not considered in the global modelled pathways, as acknowledged by the IPCC. "In fact, no IPCC pathway – 1.5°C or 2°C – meets even the Sustainable Development Goals. And so, we would go further to say that they are in fact patently unjust. We must therefore clearly refer to just transitions pathways both global and national without even inadvertently dropping the term 'just'," explained India.

The **US** spoke after India and said that the reference to the Convention in a few paragraphs is not needed as this is under CMA 5 (meaning under the PA and not under the Convention).

Japan also made a similar remark about replacing "UNFCCC" with "Paris Agreement" in paragraph 6 of the draft text. (That paragraph currently reads: "Also requests that the work programme takes into consideration the outcomes of other relevant UNFCCC workstreams, relevant work of UNFCCC constituted bodies, the high-level ministerial round table on just transition pathways referred to in paragraph 53 of decision 1/CMA.4 and work on just transition pathways outside the UNFCCC process.")

Bolivia, speaking for the **LMDC**, said that just transitions should reflect the Convention principles of equity and CBDR, and the work programme must contribute to the second global stocktake (GST) and future GST processes and is therefore a permanent process with practical outcomes and milestones.

Zambia, on behalf of the **African Group**, reminded Parties that the linkages are not just to the MWP but that it is also important to acknowledge the linkages to adaptation and finance workstreams.

Saudi Arabia, for the **Arab Group**, elaborated on what is an "unjust" transition for countries and emphasised the need to "address the full scope of the transition".

Papua New Guinea, for the **Alliance of Small Island States (AOSIS)**, highlighted the importance of having a long-term work programme by saying that it represents 39 member states now but "in the next 5 to 10 years, it may be speaking for 35 or 36 member states [only and] that's how important this is to AOSIS". (AOSIS represents the interests of the 39 small island and low-lying coastal developing states which are vulnerable to rising sea levels.)

The **Philippines** called for urgent delivery of means of implementation (capacity building, climate finance, and technology development and transfer) to facilitate just transition in developing countries, in line with the principles of equity, CBDR and leaving no one behind.

Canada suggested inclusion of language like "free, prior, and informed consent (FPIC)" and broader human rights considerations including labour rights and gender considerations, which was supported by others like the **EIG**, **Norway** and **Australia**.

A few developed countries like Norway and the US called for a better understanding of the cost and budget implications of the activities.

There was overwhelming interest in the consultations, resulting in the need to change to a bigger meeting space in the plenary hall.

Highlights from the high-level ministerial roundtable on just transition

CMA 5 also saw the convening of the First Annual High-Level Ministerial Roundtable on Just Transition on 3 December to provide a platform for a political discussion on framing and implementing just transitions and on the scope and direction of the work programme. The roundtable was co-chaired by **Roselinda Soipan Tuya, Cabinet Secretary for Climate Change of Kenya**, and **Eamon Ryan, Minister for Climate of Ireland**.

Bolivia, on behalf of the **LMDC**, said, "Global just transitions require that developed countries take the lead in reducing emission rapidly and immediately, and in a sustained manner. This would provide the room to achieve sustainable development in developing countries. The first objective must therefore be operationalising the principle of equity and CBDR-RC [common but differentiated responsibilities and respective capabilities], while ensuring energy access and sustainable development and adapting to the impact of climate change – a problem that developing countries must face but not a problem that developing countries are responsible for. Developing countries will still do their fair share to solve this problem in order to ensure a safe planet and hence means of implementation are important." The group also said that it cannot be limited to just sharing of information and the output cannot stay in the discussion room.

Papua New Guinea, on behalf of **AOSIS**, raised attention to the special circumstances and vulnerability that their communities face. It said that AOSIS contributed to less than 1% of global emissions and yet bear the burden of climate change the most. It hoped that operationalisation of the work programme would revert this reality.

Zambia, for the **African Group**, said that just transitions must be considered in the context of sustainable development and poverty eradication and the system transformation requires significant financial, technology and capacity-building support to developing countries.

Egypt suggested that the framing of the work programme should not be just in the forward-looking element in the GST but also in the implementation of the NDCs. It also pointed out that adaptation is equally important. Commenting on the financing for transition, Egypt said it should include grant and concessional funding, and deal with the debt crisis. Multilateral development banks (MDBs) should also play a role to do the de-risking together with a nation's central bank. It also highlighted that just transitions cannot work with unilateral decisions from countries that would have social and economic impacts on other countries.

South Africa highlighted that the current global financial system is not designed to respond appropriately and developing countries cannot access the scale and quality of finance required to support just transitions, and that technology transfer and skills development are a critical enabler of just transitions. Elaborating further, it said that access to climate mitigation and adaptation technology should not be commercially driven but rather be seen as a global public good. Further, it called on Parties to acknowledge the reality of the nexus between trade and climate change, which can no longer be ignored and discussed only at side-events in the UNFCCC. Trade undeniably exacerbates climate change and equally true is that climate change impacts trade. The cost of trade for developing countries could affect sustainable development and have adverse second-round effects leaving many behind.

China commented that the scope and modality of the work programme should be clarified as soon as possible as there are still major differences among Parties on the key elements of the work programme. CBDR should be our guide in the negotiation to reach consensus and finalise the work programme for the coming years, it said. China added that there should be a practical approach to remove barriers to global cooperation and do away with protectionist and unilateral measures, and instead promote mutual trust and solidarity.

India said that just transitions for developing countries mean low-carbon development within the fair share of the carbon budget, while for developed countries, this is about immediate decarbonisation and substantially reducing their unsustainable consumption, recognising their historical responsibilities and overconsumption of the carbon budget.

India further said that most developing countries are still building their systems and infrastructure to ensure reliable and affordable access to modern energy, and this fundamental development need is being constrained because developing countries must also contribute to addressing the climate change problem that they have not caused.

Elaborating further, India said this is why a global just transition is needed, with developed countries taking the lead and providing the means of implementation. It reiterated that every country must get a fair share of the carbon budget to operationalise just transitions.

It also commented on unilateral coercive measures which could further hamper developing countries' efforts to implement their NDCs and said COP 28 is an important platform to address these concerns to ensure equity and provide means of implementation to developing countries.

Spain, on behalf of the **EU**, highlighted the need for a rights-based approach and saw this programme as a space to share experience, facilitate ambitious climate policy at the national level, and leave no one behind, focusing on just transitions for the workforce as per the preamble of the PA.

An informal note capturing the roundtable discussion will be released in the coming days.

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No common understanding on Article 2.1(c) of Paris Agreement

Dubai, 5 December (Meena Raman and Indrajit Bose) – Informal consultations on the highly controversial issue of Article 2.1(c) of the Paris Agreement (PA) under the finance agenda at the ongoing Dubai climate talks revealed that there is no common understanding among Parties on the meaning of the article and its implications especially for developing countries.

Concerns were raised by developing countries on how Article 2.1(c) can be used to impose top-down international approaches that undermine the bottom-up nature of the PA and impinge on domestic policies. This was made clear especially by **Brazil** for the **G77 and China** and **Egypt** in their interventions. Similar views were expressed by **South Africa** for the **African Group**, **Saudi Arabia** for the **Arab Group** and **India** for the **Like-Minded Developing Countries (LMDC)**.

Egypt was the COP 27 President under whose guidance the Sharm el-Sheikh Dialogue (SeSD) was conducted to exchange views on and enhance understanding of the scope of Article 2.1(c) and its complementarity with Article 9 of the PA, and a report was produced following two dialogues held.

Egypt said that the report showed how complicated the issue of Article 2.1(c) is and stressed the need for more work as there is no common understanding and definition among Parties.

Developed countries, while agreeing that more work needs to be done, said that more dialogues alone are insufficient and more concrete outcomes and recommendations are needed to galvanise finance flows from the private sector (see further details below).

(Article 2.1(c) refers to "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".)

The agenda item relating to this article is being discussed under the Conference of the Parties to the PA (CMA), in the contact group under "Matters relating to the Standing Committee on Finance", which met on 2 and 4 December. Informal consultations in the contact group are co-facilitated by **Apollonia Miola (Italy)** and **Ali Waqas (Pakistan)**.

(Two reports have been produced for the consideration of Parties on the matter – one under the Standing Committee on Finance (SCF) and the other under the guidance of the Egyptian COP 27 Presidency on the two workshops held in 2023 as part of the SeSD.)

Brazil, speaking for the **G77 and China**, said there is a need to have a common understanding on Article 2.1(c) and that the SeSD provided the space for dialogues, which showed that there was no common understanding among Parties. There are some who say that the article is not a standalone objective, as the chapeau of the article refers to enhancing the implementation of the Convention and must be read in conjunction with Article 2.2 which refers to equity and common but differentiated responsibilities (CBDR) and in the context of sustainable development and poverty eradication, which has not been considered.

Brazil also said that the SeSD report is more balanced than the SCF report, as it captures all the elements to put forward a common understanding.

It also referred to analysis of unilateral measures related to trade such as the European Union's carbon border adjustment measures, which it is estimated will cause billions of dollars in losses to developing countries, and said that these are serious concerns.

Brazil also said that it saw threats of reversing the very approach of the PA which is bottom-up and not top-down.

It reiterated that it was ready to discuss the report from the SeSD and for an extension of the dialogue that can lead towards a common understanding.

South Africa, speaking for the **African Group**, welcomed discussions in going through the reports produced and stressed that it had concerns about Article 2.1(c) being discussed under the global stocktake (GST), which, for the group, was a "redline". It stressed that there could not be a conversation on the same matter in two places and called on Parties to stick to the mandate to discuss this under the SCF.

South Africa said that Parties are far apart (on their understanding of the article) and need to come closer, and need to recognise the principle of CBDR. It said further that developed countries "cannot impose top-down" regulatory approaches to financial flows, which cannot work for developing countries, highlighting that 600 million people in Africa do not have access to light and adding that there have to be safeguards.

Saying that Article 2.1(c) cannot be increasing the debt in developing countries, South Africa underlined the need to talk about how climate finance flows can be changed, stating that the pathway is through support for the implementation of NDCs. It reiterated the lack of common understanding as regards the article and that it was not convinced that the work programme on the article is the best way forward.

Ethiopia, for the **Least Developed Countries (LDCs)**, welcomed the SeSD report which it said was balanced, and welcomed the recommendations of the COP 27 Presidency in the report.

Egypt said that the SeSD report is good and shows how complicated the issue of Article 2.1(c) is. It supported the African Group in relation to its complexity and its implementation, stressing the need for more work as there is no common understanding and definition.

There are challenges to its implementation, it said. Elaborating further, it said that at the domestic level, implementation of Article 2.1(c) is welcomed, but when it is beyond national borders, the issue becomes challenging, in the context of the principles of equity and CBDR.

Egypt also said that discussions on the article have been mainly in the context of mitigation and very limited, if at all, on climate resilience; and in relation to sustainable development and poverty eradication, it is not clear. It explained that if we read Article 2.1(a) it is about reducing emissions while 2.1(b) is about enhancing resilience; if 2.1(c) is about implementation, how can it be considered a goal, as in itself, it cannot be a goal? It said further that there is a need for a common understanding of what it is about.

Saudi Arabia, for the **Arab Group**, said the SCF report on Article 2.1(c) did not include concerns of developing countries and instead "sanitises or waters them down".

Responding to the United Kingdom's suggestion that the future work on Article 2.1(c) focus on domestic policies, Saudi Arabia pointed to the inconsistency in the approach of developed countries. Developed countries were not ready to engage in a discussion on the limitations of their current budgetary cycles which posed a barrier to delivering climate finance under the agenda item on Article 9.5 of the PA (which speaks to developed countries providing indicative information biennially on projected levels of public financial resources to developing countries), but when it came to Article 2.1(c), they spoke about domestic policies of developing countries.

Saudi Arabia further said that Parties should take note of the SCF report on Article 2.1(c) and welcome the SeSD report while taking note of its recommendations, since there was no consensus on the recommendations of the report. It further stressed that it did not agree with any work programme on Article 2.1(c).

In its earlier intervention at the contact group on 2 December, **Saudi Arabia**, for the **Arab Group**, said that it had seen the negative impacts of measures imposed by developed countries such as unilateral trade measures which are expected to cause billions of dollars of losses to developing countries, adding that the issue of the "consistency of finance flows is inconsistent with the PA", as it makes developing countries poorer. It said further that Article 2.1(c) is operationalised through Article 3 in relation to the NDCs, with support provided to developing countries to implement them. It said that the implementation of NDCs was how it viewed "Paris alignment" and that the group could not agree to work on Article 2.1(c) or for the extension of the dialogue on the article.

India, for the **LMDC**, supported Saudi Arabia and objected to discussing domestic policies since it would be top-down and intrusive.

China emphasised that the successful implementation of Article 2.1(c) is linked to the CBDR principle and Articles 2 and 9 of the PA, adding that how Article 2.1(c) should be implemented is clearly stated in Article 9. It further raised concerns around some Parties not willing to establish a definition for climate finance or avoiding discussions on Article 9, and asked how the UNFCCC could mandate multilateral development banks and the private sector.

Switzerland said the "train has left the station" (in an apparent reference to private sector investments) and that "it is important to have a conversion because we need to give it a steer". It added that "our economies are connected" and gave the example of a big Saudi Arabian investor in Switzerland who was investing in coal plants in South Africa.

It added that "divestment is not the best solution", and that there is a "need for engagement strategies and guidelines". It said that it wanted a discussion space and the creation of a work programme which comes up with recommendations, stressing that it was "not sufficient to just have dialogues" and that "something more concrete is needed".

New Zealand made similar remarks as Switzerland, adding that "there are trillions of dollars out there" which need to flow in the right direction. It supported a work programme that drives action.

Australia agreed that more work was needed but did not want more dialogues. "We need to catalyse action to increase financial flows." It said "our economies are interconnected; the global transition happening already. We should be bringing in the private sector to advance the long-term goal. We are on two trains. Let's bring the tracks together".

The **United States (US)** said it saw a lot of commonalities between the report on the SeSD and the report of the SCF and suggested that the decision must build on both the reports and provide clarity in the work of the CMA. It also said it is not "wedded" to the Paris-aligned work programme, but the intention is to take up what has come up in the SeSD report and figure out how to advance work. The US also said going forward it sees some sort of a work programme, a potential agenda item, ministerial dialogues, technical reports or products the SCF could advance on the issue.

The **European Union (EU)** said while Article 2.1(c) has complementarity with Article 9, there is a lot more to be done on the scope and implementation of Article 2.1(c) and there is a need to look at ways of achieving it. It further said that it is not wedded to the work programme, nor an agenda item, and clarified that it wanted "space" to discuss the issue. Expanding its views on what the space could look like, the EU said Parties need to work towards a common understanding on Article 2.1(c) along with the role of the different actors as well as the relationship between Article 2.1(c) and Article 9 of the PA.

It also said that it was keen to look at how to facilitate access to finance for Article 2.1(c) and discuss concerns around the cost of capital for the particularly vulnerable countries. It also admitted that implementation of Article 2.1(c) has not been easy for the EU and therefore going ahead it would look at building capacity for the full implementation of Article 2.1(c).

The **United Kingdom** said Article 2.1(c) is complementary to Article 9 and not a substitute. It said the future work on the issue should include focus on a domestic policy framework that supports the greening of financial systems, while acknowledging that any approach would be nationally determined, addressing key market failures stemming from the transition and understanding the full range of impacts in relation to implementation.

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Developing countries disappointed at failure to agree on baseline for doubling adaptation finance

Dubai, 6 December (Indrajit Bose) – Developing countries have expressed disappointment that the UNFCCC's Standing Committee on Finance (SCF) was not able to arrive at a baseline for the doubling of adaptation finance, owing to methodological limitations. They also expressed concern that even if adaptation finance were doubled, there would still be a wide gap between mitigation and adaptation finance.

These concerns were expressed at the informal consultations held on 4 December on the SCF's report on "Doubling of adaptation finance" at the ongoing COP 28 talks in Dubai.

(COP 27 in Sharm el-Sheikh had requested the SCF to prepare a report on the doubling of adaptation finance. The doubling mandate comes from COP 26, in which developed countries were "urged to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled up financial resources…".

(According to the SCF report, "three of the five sources of information reviewed … point to a baseline from 2019 of USD19.4 billion on average across all included channels, thus indicating a doubling to USD38.8 billion by 2025".)

At the informal consultations, some developing countries suggested having an adaptation finance work programme to discuss systemic issues impacting adaptation finance. They also referred to the United Nations Environment Programme (UNEP)'s Adaptation Gap Report (AGR) 2023 and called for numbers from the report to be reflected in the decision on the issue of doubling adaptation finance.

(The AGR states that the adaptation finance gap now stands at between $194 billion and $366 billion per year. Adaptation finance needs are 10-18 times as great as current international public adaptation finance flows – at least 50% higher than previously estimated; and international public climate finance flows to developing countries "decreased by 15% to $21.3 billion in 2021 after having increased to $25.2 billion between 2018 and 2020", the report states. Based on modelling analysis, the AGR estimates the "costs of adaptation for developing countries in this decade at approximately $215 billion per year [range: $130 billion to $415 billion]". "These adaptation costs are projected to rise significantly by 2050 because of growing climate risks," the report states. Further, adaptation finance needed to implement domestic adaptation priorities are estimated to be $387 billion per year [range: $101 billion to $975 billion] in this decade, according to the report. See related update.)

The **African Group** suggested that the doubling-finance target should be further doubled, which drew sharp retort from developed countries who opposed the proposal.

During discussions on the private sector, developing countries underscored that they cannot rely on the private sector for adaptation finance, with the **European Union** (**EU**) admitting that multilateral development banks (MDBs) had failed to mobilise expected finance for adaptation.

Speaking for the **G77 and China**, **Brazil** said it is concerned about the lack of balance between mitigation and adaptation finance and described the Adaptation Gap Report's numbers as "alarming". It expressed concern that the SCF had not put forth a baseline for at least doubling adaptation finance, and said the baseline for the conversation should be developed countries' lack of commitment in fulfilling their responsibilities. It said that Parties must also focus their conversation on the quality of finance, which was largely loans, as well as issues related to access for developing countries.

Kenya, for the **African Group**, referred to the SCF's report as "deeply insufficient", adding that it could not welcome it. It proposed the need for a "doubling of the doubling goal" and an acknowledgement in the decision that the baseline is far short of what developing countries need. It also said that there is a need to continue to take stock of the doubling of the adaptation finance commitment and where the finance is being allocated.

Switzerland responded that while it was willing to engage on language on scaling up of adaptation finance, it would not be able to agree on any new "forward-looking commitment, especially if it is limited to developed countries" (in reference to the issue of contributors).

The **United States (US)** said that it had no appetite to revise the quantum since the goal was through to 2025, and any conversation to double the doubling was a "non-starter".

Responding to the developed country interventions, **Saudi Arabia**, for the **Arab Group**, said developing countries were not asking for any "new" commitments of developed countries but just calling for the implementation of the Paris Agreement (PA). It referred to Articles 9.1 and 9.4 of the PA which speak to developed countries being mandated to provide finance to developing countries for mitigation and adaptation and the provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation.

Saudi Arabia said further that the balance was far from being achieved, and the issue needed to be resolved. "If we cannot understand adaptation finance, it cannot be accounted for," it added, and called for the systemic issues to be solved such as accountability and delivery of commitments. It also called for an adaptation finance work programme, which would be a dedicated space to discuss and resolve issues. It further said that if adaptation finance stayed at $40 billion, it would be "widely insufficient".

On the SCF's report, it said that the decision must express disappointment with the report and highlight the fact that there had been no agreement on the baseline. It also said that the report used up most of its space discussing all actors providing finance except for developed countries, and did not address the systemic issues impacting adaptation finance.

Argentina, for itself, **Brazil and Uruguay (ABU)**, supported the idea of a two-year work programme on adaptation finance, which would result in an informed debate on adaptation at COP 30.

India, for the **Like-Minded Developing Countries (LMDC)**, said the SCF report was an eye-opener, reflecting lack of trust since the baseline could not be agreed to, and proved that Parties are really far from meeting the mitigation-adaptation balance stated in Article 9.4 of the PA. It expressed support for the proposal for an adaptation finance work programme, as well as concerns about the finance being provided in the form of loans. It called for the decision to recognise the lack of progress in these areas and highlighted the need for a definition of climate finance.

Honduras, for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, expressed concern that no baseline could be agreed on for adaptation finance and said the decision must note the "severe gaps" in the finance. Highlighting that adaptation finance is a key priority, it stressed that adaptation finance has to start flowing to developing countries. It also expressed deep concern about adaptation finance reaching developing countries in the form of loans, pointing out that 83% of adaptation finance was from MDBs in the form of loans, which was further indebting developing countries. "We cannot get into more debt to save our own livelihoods. This is a matter of development. We cannot allow adaptation finance to further increase our debt levels. We would not be in a position to welcome the report," it said further.

Ethiopia, for the **Least Developed Countries (LDCs)**, said Parties must take note of the SCF report and focus on aspects that speak to the scaling up of public sources of adaptation finance, and the allocation of resources to the finance institutions under the UNFCCC. It further said that it would have preferred concrete proposals in the report on monitoring the doubling of adaptation finance commitments of developed countries.

Egypt said Parties need to reflect in the decision challenges with respect to methodological issues, problems around the scale of finance, availability of data and sources, and the lack of balance between mitigation and adaptation finance, among other things, along with forward-looking recommendations on these elements.

China said even if adaptation finance were doubled, Parties would be far from reaching a balance between mitigation and adaptation finance. It further expressed concern over the decline of adaptation finance, which begged the question of the "sincerity of developed country commitments". China also said that reliance on the private sector to fund adaptation appeared to be a "misguided expectation", and that adaptation finance should be public finance predominantly, in the form of grants. It also said that it is not in a position to welcome the SCF report.

The **European Union** (**EU**) said as a matter of principle, Parties should welcome all the work of the SCF. It expressed disappointment that there was no agreement on the baseline. "Our understanding was we are going from $20 billion to $40 billion, and we are happy to note [in the decision] that there continues to be an imbalance between mitigation and adaptation," it said. It also said that it was happy to note in the decision that access to adaptation finance continued to be an issue.

The **US** referred to the SCF report as "strong". While it recognised that the "dip in numbers is a concern", it added that there was a "blind spot" in tracking adaptation finance since "cross-cutting finance" was not addressed. It added that there had been a significant increase in cross-cutting finance, which should be brought into the conversation. It also said that there should be something in the decision about challenges with respect to mobilising private finance.

The US said that it would not have been appropriate for the SCF to determine a baseline, and it is a matter for developed countries who have been urged to double to clarify what the baseline should be. The US also said that while it is appropriate to take note of the findings of the report, it would not be comfortable with a decision actively establishing a baseline.

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Higher mitigation ambition requires enhanced support, say developing countries

Dubai, 6 December (Indrajit Bose) – Developing countries stressed the importance of operationalising Article 4.5 of the Paris Agreement (PA) for enhanced support for higher mitigation ambition in developing countries at the ongoing Dubai climate talks.

This was stressed during informal consultations held on 4 December in respect of matters related to the Standing Committee on Finance (SCF), which took up the issue of "Urgently scaling up financial support from developed country Parties in line with Article 4(5) of the PA to enable implementation for developing countries".

Developing countries emphasised the importance of having a discussion under the SCF on the matter, which was countered by several developed countries as not being necessary.

(Article 4.5 deals with the provision of support (including finance, technology and capacity building) to developing countries for the implementation of their nationally determined contributions (NDCs) that also contain domestic mitigation measures.)

(The Like-Minded Developing Countries (LMDC) had proposed the issue to be a standalone item in the agenda of the 5th session of the Conference of the Parties to the PA (CMA 5), which opened on 30 November. However, there was no consensus on this, and at the opening of CMA 5, the COP 28 Presidency had proposed the issue be discussed under "Matters related to the SCF".)

Saudi Arabia, for the **Arab Group**, said the discussion on Article 4.5 is necessitated due to continued calls for enhancing mitigation ambition, and that enhancing mitigation ambition in developing countries depends on enhanced finance, technology and capacity-building support by developed countries.

Saudi Arabia gave the example of calls by developed countries for tripling renewable energy and said that discussion of such targets should be accompanied by a discussion and inquiry into the costs towards reaching the targets. It also said that for mitigation action to have any meaning on the ground, support is essential, and therefore additional work on Article 4.5 is required.

It said its key asks include including a chapter on Article 4.5 in the SCF's next biennial assessment and overview of climate finance flows (BA); reports by the SCF that touch on mitigation issues to include information on Article 4.5; and a biennial brief by the SCF in the context of reviewing the amount of finance provided from developed countries to developing countries and assessing gaps. Such information would inform developing countries and allow for higher ambition, it added.

India, for the **Like-Minded Developing Countries** (**LMDC**), said Article 4.5 is a cross-cutting issue with a bearing on Articles 9, 10 and 11 of the PA (dealing with finance, technology transfer and capacity building respectively). The SCF should take a look at these intersections and examine why the finance flows are not commensurate with the needs of developing countries, said India further.

With respect to the interrelationship with Article 10 (on technology development and transfer), there is a need to examine the link between the Financial Mechanism and the Technology Mechanism and ways to promote environmentally sound technologies.

In relation to Article 11 (on capacity building), India referred to the first needs determination report (NDR) by the SCF and said that only one-third of the needs of developing countries are costed and developing countries need capacity building to cost their needs. Given the cross-cutting nature of financial implications, the SCF should look at various issues and what can be done with respect to (implementation of) Article 4.5, it said.

In response, **Switzerland** said Article 4.5 is not "bifurcated" since it spoke to support to be provided to developing countries (indicating that the provision of support is not only from developed countries). It further said that all reports by the SCF include information on mitigation finance, and it would be "more than happy" to enforce those chapters around "critical sectors on mitigation and scaling up investments in critical sectors", among other things. It added that it would have "problems if we introduce bifurcation" and added that it would be interested to know how action under Article 9.2 of the PA has been scaled up. (Article 9.2 encourages Parties other than developed countries to provide support voluntarily.)

South Africa, for the **African Group**, expressed disappointment with Switzerland's response because all finance discussions have become a subtext of the "contributor base discussion", and pointed to the massive trust deficit in the climate talks. Developed countries simply have not taken their mitigation actions as required, and constantly try to shift the burden to developing countries and failed to provide even the (annual) $100 billion of finance, said South Africa.

It further said that there are different national circumstances and Parties need to respect that. "We contribute more than you do. We are the ones suffering the costs of loss and damage," it added. It further said that it agrees with the LMDC that Article 4.5 is extremely important and a fundamental component of the PA.

South Africa also said that developing countries can do more if there is ambition in finance and support for them. "Where is the ambition if you cannot prove to us about fulfilling the $100 billion?" it asked.

Reflecting on the special circumstances of Africa, it said the continent gets less than 2% of global renewable energy funding, and the typical reasons cited are fiscal issues, and lack of liquidity and private sector engagement. "Now you want to talk of tripling renewable energy. Who will pay for that in Africa?" it asked.

It further clarified that Article 4.5 is a fundamental requirement to get global partnership on development back on track and refused to entertain a discussion on contributor base. Pointing to the example of the Green Climate Fund, it said the pledges are not nearly enough and asked how developing countries are to change their mitigation pathways for low-emission development. It said it fully supports continuing discussions on operationalising Article 4.5.

Egypt said Article 4.5 is a very timely issue to be raised and deserves the right attention. It said that since the Glasgow COP in 2021, Parties have been hearing about 2020-30 being a critical decade and higher ambition in mitigation, but when it comes to finance, the ambition is not there.

Referring to the NDR, Egypt said that the $5.7 trillion was not forthcoming. For adaptation, while reports spoke to the need for over $300 billion, Parties were merely discussing amounts that ranged from $7-20 billion support to developing countries.

Egypt further added that Article 4.5 deserved a discussion, or else the entire process loses credibility. Explaining further the rationale for discussing Article 4.5, it said that the private sector was not moving, the multilateral development banks were failing, investments were not going to specific regions and there remained huge gaps.

It explained that given the circumstances in which developing countries were being asked to enhance their ambition, a course correction was needed. The agreement in Paris called for support for a major transformation globally, but it should not be at the expense of sustainable development and poverty eradication priorities of developing countries, it said further.

In a scenario where developing countries are not being funded appropriately and most of the funding is in the form of loans exacerbating their debt burden, with their development subject to different kinds of taxation, a climate-responsive and climate-sensitive future would not happen, it said. It explained that for developing countries, it is not a question of willingness but ability due to availability of the means.

Discussions on Article 4.5 are not about finger pointing, but about cooperation and successful implementation of the PA, stressed Egypt further.

Bangladesh also stressed the importance of Article 4.5 in the context of support for developing countries.

Expressing agreement with Switzerland, the **European Union (EU)** said mitigation finance is important and a lot more could be done to strengthen the chapters in the SCF's BA in relation to mitigation finance.

Australia said discussions were already taking place on mitigation finance, including in Article 2.1(c) of the PA, which entailed discussions on cooperation to support mitigation goals. On calls to triple the renewable energy target, it said it would be a global target and countries would follow a nationally determined process to determine how they wish to implement the target. It also said that the SCF had an enormous workload and if Parties were to mandate new work, it would have to be carefully considered.

The **United States** said there is no mandate to discuss Article 4.5, and questioned the "relevance" of the item, adding that it did not see any room for an outcome on the issue this year.

New Zealand said that mitigation finance was already covered in existing agenda items and that it was not sure what additional work was required. It further suggested that the place to drive ambition was in discussions on the new collective quantified goal on climate finance, the mitigation work programme and the global stocktake.

Responding to suggestions that the SCF is overloaded with work, **China** suggested replacing the Article 2.1(c) discussions in the SCF with Article 4.5 discussions.

The informal consultations on Article 4.5 are expected to continue.

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North-South divide over first global stocktake

Dubai, 8 December (Prerna Bomzan) – At the ongoing annual climate talks, the first global stocktake (GST) under the Paris Agreement (PA) has become a battleground between developed and developing countries over many critical issues. The GST is viewed as a very key outcome from Dubai, and what the outcome will be is being keenly watched, including on how the North-South divide will be bridged.

Some crunch issues which remain the bone of contention between developed and developing countries are: references to the bedrock Convention (UNFCCC); divergent interpretation of equity; common but differentiated responsibilities and respective capabilities (CBDR-RC), historical emissions/historical responsibility; the carbon budget; pre-2020 implementation gaps; global targets with timelines on tripling renewable energy, doubling energy efficiency, phasing out of fossil fuels, phasing out of coal, phasing out of inefficient fossil fuel subsidies; means of implementation and support versus Article 2.1(c); unilateral trade measures; and follow-up on the GST outcome (see details below).

At the end of the first week of the talks on 6 December, which saw the closing of work under the Subsidiary Bodies (SBs) and transmission of further work into the second week under the UAE COP 28 Presidency, it is to be noted that actual negotiations under the GST towards an expected CMA decision are yet to start since the first week was exhausted in only producing two iterations of the "textual building blocks" by Co-Chairs **Joseph Teo** (**Singapore**) and **Alison Campbell** (**UK**).

(The GST's objective is to assess the collective progress of Parties towards achieving the purpose of the PA and its long-term goals, in a comprehensive and facilitative manner, considering mitigation, adaptation and the means of implementation and support, and in the light of equity and the best available science. The crucial issues of loss and damage as well as response measures are also being considered by the GST. The outcome of the GST is to inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of the PA, as well as in enhancing international cooperation for climate action.)

After the immediate launch of work on the GST in the evening of the opening day on 30 November, the Co-Chairs convened a joint contact group and outlined the mode of work of coming up with "textual building blocks". Developed countries highlighted that it should be based on the Synthesis Report of the Technical Dialogues held under the process (which comprised three meetings conducted since last year, with participation of non-Party stakeholders), while most developing countries stressed on submissions by Parties, since the GST is a Party-driven process. Parties also expressed their vision and views for an ambitious GST outcome and hoped these would be captured in the first iteration of the text.

Developing countries represented by the **G77 and China**, led by the **Philippines**, highlighted the need for increased means of implementation and support (finance, technology, capacity building) from developed countries to developing countries, to undertake mitigation and adaptation efforts and to address the adverse effects of loss and damage and response measures.

On 1 December morning, the first iteration of the "textual building blocks" by the Co-Chairs was released stating that it was produced "under their own authority and are intended to provide a starting point for Parties to discuss text. Where placeholder bullet points have been used, they reflect issues where different views have been expressed and would require further deliberations by Parties".

At the second joint contact group, the Co-Chairs informed that the "tool" followed the draft indicative structure of the last SB 58 (June, in Bonn), and that in areas of broad convergence, they utilised already agreed language for consideration while the "placeholder bullet points" required further engagement recognising no agreement. They also stressed that the text in the "tool" was "not exhaustive and none of it is agreed".

This first iteration drew mixed reactions from both developed and developing countries who expressed that the text reflected crucial missing elements of importance to them, and lacked balance in the backward- and forward-looking elements, including across the thematic sections, spelling out their respective positions.

After hearing the first round of reactions, the Co-Chairs then proposed informal consultations to conduct a first reading of the text, with the intention of further improving the text into its second iteration, which resulted in four days as well as late nights of extensive, substantive inputs by Parties and their groupings, including a day of "informal-informal" ("inf-inf") discussions with only Parties participating in an informal setting to thrash out divergences on 4 December. The Co-Chairs had proposed that Parties work on the "Guidance and Way Forward" section of the text which had heard many new proposals as well as on the contentious issues of "pre-2020" gaps and "past/current/future emissions". However, it is learnt from sources that this narrow scope was rejected by some developing countries and eventually the inf-inf managed to discuss the first few sections of the text.

On 5 December, the second iteration of "updated textual building blocks" by the Co-Chairs was released in the morning. When the third contact group was convened, the Co-Chairs said that they had done their best to capture views in a "balanced" way reflecting options and divergent views, and further invited "high-level reactions". The text had ballooned to double the size of its first iteration to 12 pages, with 96 options and 29 listed bullet points in the "Guidance and Way Forward" section.

The Co-Chairs proposed another inf-inf to narrow it down further to enable Ministers to engage in the second week of the talks, and said that suggestions and improvements on the text could be made the following day on the morning of 6 December. Also, with the scheduled closing of the SBs on 6 December, they proposed procedural conclusions with a "clear understanding that no elements are agreed" and that it's a "work in progress as we move into the second week".

The **Philippines**, for the **G77 and China**, suggested a recess to give Parties time to reconvene for more substantive inputs into the text, of which another iteration could be produced by the next day on 6 December, which would encapsulate all comments by Parties. It said that it was up to negotiators to trim it down so that it was understandable and manageable for Ministers.

The proposal was supported by the **United States (US)** and the **European Union (EU)**, with calls also for "surgical insertions" by **Ghana** for the **African Group**, **Saudi Arabia** for the **Like-Minded Developing Countries (LMDC)** and **Brazil**, including **China** and **India**, enquiring whether there would be a third iteration given some critical elements still missing. **Colombia** for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, **Trinidad and Tobago** for the **Alliance of Small Island States (AOSIS)** and **Malawi** for the **Least Developed Countries (LDCs)** also pointed out that the "Way Forward" section still lacked text and that all sections should be treated equally in terms of draft text going forward.

The Co-Chairs eventually agreed to convene informal consultations in the evening – which saw some Parties like the **US** providing elaborate substantive inputs as opposed to "surgical inputs" – that extended late into the night. The session ended with the Co-Chairs informing Parties to send in submissions of their views, with a third iteration expected the next day.

However, on 6 December, at the final contact group, the Co-Chairs announced that given extensive comments and inputs, after "careful consideration" they decided to not forward a third iteration in order to maintain the "balance" in the second iteration, which they felt also gave a "degree of comfort" to Parties. Further, they proposed draft procedural conclusions and to forward the second iteration "updated building blocks" for further consideration in the second week under the CMA.

Pakistan and **Iran** expressed disappointment and called for a revised third iteration. However, after a "mini huddle", there was eventually consensus with revised draft procedural conclusions adopted carrying a footnote of the second iteration "updated textual building blocks" as "not agreed text and represents work in progress" and inviting the CMA "to take into account the views and submissions in a third iteration of the updated building blocks". At the informal plenary following the closing of the SBs, the COP 28 Presidency welcomed the text to the CMA and stated that there would be further revision of the building blocks and that it will convene at the political level to inform the way forward.

The key high-level North-South divides on the crunch issues across the different elements and thematic sections in the draft text are set out below.

Preamble, context and cross-cutting considerations

Reference to the Convention underpinning the PA, a longstanding fundamental contentious issue under the CMA, has been consistently rejected by developed countries across the board in the negotiations, and therefore also in the GST process. The Convention reference is also under the sections on "Mitigation" and "Means of Implementation" in the text.

Developing countries, as a united **G77 and China** front, have been strongly arguing that any rejection of references to the Convention – which firmly embeds the fundamental principles of equity and CBDR-RC and, hence, differentiation in responsibilities of action and support between developed and developing countries to combat the climate crisis – is "a no-go". This, according to the G77 and China, is also intrinsically linked to historical emissions and hence the notion of historical responsibility of developed countries as well as their pre-2020 implementation gaps in both action and support.

The **US**, in particular, has however been stating that it cannot accept attempts to tie the GST to the Convention as it believes that the GST is under the PA process. Developing countries have been countering that in Article 2.1, the PA clearly states its purpose as "enhancing the Convention", and that there is therefore no legal basis to delink the PA from the Convention. Further, developing countries also stress that Article 2.2 clearly states that the implementation of the PA will reflect equity and CBDR-RC in the light of different national circumstances.

Both Articles 2.1 and 2.2 appear as the second and third preambular paragraphs in the text which was pushed by the **Philippines** for the **G77 and China**, reinforced by the **LMDC**, the **African Group**, **Brazil** for **Argentina, Brazil, Uruguay (ABU)** and **Brazil, South Africa, India, China (BASIC)**, **Bahrain** for the **Arab Group**, **Colombia** for **AILAC**, including **Egypt**, **China**, **India**, **Botswana** in their national capacities.

The principles of equity and CBDR-RC, historical emissions, carbon budget and carbon space and pre-2020 gaps, which are all currently reflected in the text, are so-called "red lines" for developed countries.

Mitigation

There are several highly contentious issues in the "Mitigation" section, relating among others to historical emissions, carbon budget and global targets including fossil fuel phase-out.

Historical emissions and carbon budgets

Developed countries are opposed to focus on historical emissions and carbon budgets, while developing countries are advancing this issue.

Paragraph 8 reads*:*

"Option 1: Recognizes that historical emissions and the use of the world's carbon space, is not equitably distributed as assessed by the IPCC's Sixth Assessment Report, with developed countries emitting historically more emissions relative to their share of the global population, and recognizes that equitable mitigation action is guided by historical responsibility, also recognizes that developed countries should take the lead on mitigation actions;

Option 2: Notes the challenges related to pre-2020 ambition and implementation and further notes that the achievement of the PA is based on a forward-looking process, fundamentally relying on all Parties bringing forward and implementing their highest possible ambition towards the realization of the goals of the PA;

Option 3: no text"

On carbon budgets, the text in paragraph 29 has the following options:

"Option 1: Acknowledges that the carbon budgets consistent with achieving the PA temperature goal are now small and being rapidly depleted and expresses concern that historical cumulative net CO_2 emissions between 1850-2019 amount to about four fifths of the total carbon budget for a 50 per cent probability of limiting global warming to 1.5°C, and to about two thirds of the total carbon budget for a 67 per cent probability to limit global warming to 2°C;

Option 2: no text"

Global mitigation targets

The controversial paragraph 35, which is driven mainly by developed countries, lays out global targets with a 2030 timeline without any differentiation between developed and developing countries. This is viewed by many developing countries as clearly going against the principles of equity and CBDR-RC, and shifting the burden of mitigation onto developing countries, without the commensurate means of implementation. Paragraph 35 with options reads as follows:

"Option 1:

Calls upon Parties to take further action in this critical decade towards:

(a) Option 1: Tripling renewable energy capacity globally by 2030 compared to the 2022 level to 11,000 GW and doubling the global average annual rate of energy-efficiency improvement compared to the 2022 level to 4.1 per cent by 2030;

Option 2: no text

(b) Option 1: Substantially scaling up globally by 2030 zero and low-emission technologies, including abatement and removal technologies, including carbon capture, utilization and storage, and low-carbon hydrogen production;

Option 2: no text

(c) Option 1: An orderly and just phase out of fossil fuels;

Option 2: Accelerating efforts towards phasing out unabated fossil fuels and to rapidly reducing their use so as to achieve net-zero CO_2 in energy systems by or around mid-century;

Option 3: no text

(d) Option 1: A rapid phase out of unabated coal power this decade and an immediate cessation of the permitting of new unabated coal power generation, recognizing that the IPCC suggests a pathway involving a reduction of unabated coal use by 75 per cent from 2019 levels by 2030;

Option 2: no text

(e) Option 1: Phasing out inefficient fossil fuel subsidies over the medium term;

Option 2: no text

(f) Option 1: Rapidly increasing the deployment pace for zero-emission vehicles;

Option 2: no text".

Among these targets, the most contentious is the one on the phasing out of fossil fuels. Some developing country sub-groups such as **AOSIS**, **AILAC** and the **African Group** support the call with the caveat that it is done in a "just and equitable" manner and conditional upon means of implementation, applying the principles and provisions of the PA with developed countries taking the lead. However, the **LMDC** and the **Arab Group** are arguing that the GST should be non-policy-prescriptive as decided by Decision 19/CMA.1, paragraph 14, which reads, "Emphasizes that the outputs of the GST should focus on taking stock of the implementation of the PA to assess collective progress, have no individual Party focus, and include non-policy prescriptive consideration of collective progress that Parties can use to inform the updating and enhancing, in a nationally determined manner, of their actions and support in accordance with relevant provisions of the PA as well as in enhancing international cooperation for climate action."

Similarly, paragraph 38 has a global target with a 2030 timeline related to deforestation which reads as follows:

"Option 1: Emphasizes the importance of protecting, conserving and restoring nature and ecosystems to achieve the Paris Agreement temperature goal, including through halting and reversing deforestation by 2030 and through other terrestrial and marine ecosystems acting as sinks and reservoirs of greenhouse gases and by protecting biodiversity, while ensuring social and environmental safeguards;

Option 2: no text".

Bolivia proposed an alternative option to this: "Emphasizes the importance to provide adequate financial resources and means of implementation to achieve sustainable development and poverty eradication in the context of halting and reversing deforestation, in accordance with different policy approaches as per Article 5 of the PA, and including provision of finance and means of implementation in the context of Article 4.5 and Article 9 of the PA".

Two other controversial paragraphs, paragraphs 48 and 49 in relation to means of implementation and support, are sought to be removed by developed countries, thus shirking their legal obligations as viewed by developing countries:

"48. Emphasizes Article 4.5 of the PA, which provides that support shall be provided to developing country Parties for the implementation of Article 4 of the PA, in accordance with Articles 9-11, and recognizes that enhanced support for developing country Parties will allow for higher ambition in their actions;

49.

Option 1: Recalls the obligation of developed country Parties to provide financial resources to developing country Parties for mitigation actions, and recognizes that mitigation action for developing countries depend on the provision and mobilization of means of implementation and support from developed countries, including for achieving universal access to energy;

Option 2: no text".

Adaptation

Similarly, under the "Adaptation" section, developed countries want to remove all finance-related paragraphs, especially paragraph 77 related to the agreed Glasgow language on doubling of adaptation finance by developed countries to developing countries from 2019 levels by 2025, and paragraph 78:

"77. Urges developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources, recalling Article 9.4 of the PA;

78.

Option 1: Requests the Standing Committee on Finance to develop a roadmap on the doubling of adaptation finance, recognizing that doubling is an initial step toward rapidly increasing adaptation finance based on the needs of developing countries to achieve a balance between mitigation and adaptation;

Option 2: Requests developed country parties to provide transparency in progress on delivery of para xx;

Option 3: no text".

Means of implementation and support

This section "C" has proved to be the most difficult section to arrive at any convergence on since the SB 58 intersessional in Bonn (see TWN Update), with no agreed language even on the very title of the section, for which the alternative proposals are as follows:

"Alt.1 C.3 Finance flows and means of implementation and support

Alt.2 C.3 Means of implementation and support, including finance flows

Alt.3 C.3 Means of implementation and support

Alt.4 C.3 Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development

C.3bis Means of implementation and support"

The key issue is the language on Article 2.1(c) of the PA reflected by "Alt.4 C.3" proposed by developed countries, which is highly contentious to date with no common understanding yet reached by Parties. Article 2.1(c) speaks of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".

Technology development and transfer

The **Philippines**, for the **G77 and China**, has strongly urged the creation of a Technology Implementation Programme led by the Technology Mechanism of the Convention as a concrete and positive outcome of the GST, underlining that not having such a programme is not acceptable. This has faced resistance from developed countries. The differences are captured in paragraph 122 of the text with the following options:

"Option 1: Decides to establish a technology implementation programme, led by the Technology Mechanism and supported by the operating entities of the Financial Mechanism, loss and damage fund and Adaptation Fund to strengthen support for the implementation of priorities identified by developing countries…;

Option 2: no text".

Capacity building

The **G77 and China** has also called for a Capacity-Building Fund, which is being opposed by developed countries. This is reflected in paragraph 133 of the text with options:

"Option 1: Decides to establish a capacity-building fund, and to establish institutional links with existing financial funds such as the Global Environment Facility, the Green Climate Fund, the Adaptation Fund to further enhance the capacity building for developing countries;

Option 2: No text".

Loss and damage

The **G77 and China** has also stressed on two important issues which are currently reflected in the text as options and alternative language – the need for common metrics to be able to establish inventories for loss and damage, and the need for a standing agenda item on loss and damage – which are being opposed by developed countries. These proposals are in paragraphs 155 and 156.

Response measures

The sticky issue of "unilateral trade measures" is being vehemently opposed by developed countries and has already been watered down to "unilateral measures" in the text. It also appears under "International cooperation". Developed countries are arguing that the issue is outside the scope and mandate of the CMA and belongs in the World Trade Organization.

The **BASIC** group, with its proposal titled "Concerns with unilateral trade measures related to Climate Change and their potential adverse impact on equitable and just transitions, in the context of sustainable development and efforts to eradicate poverty", has been leading the fight to maintain the reference, in its original term "unilateral trade measures", in the text.

Guidance and way forward

There is a list of 29 new proposals under this section in the form of placeholder bullet points formulated as "a listing of ideas of Parties that need further refining". One of the divisive issues being vocally rejected by most developing countries is around Article 2.1(c) on establishing a Paris Alignment Work Programme, which is a proposal of developed countries.

Another issue that is being driven by developed countries, led by **Australia**, the **EU**, **Canada** and **Switzerland** for the **Environmental Integrity Group (EIG)**, which is not yet captured in the text is the establishment of an agenda item under the SBs on follow-up to the GST outcomes.

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Divisions over mitigation work programme

Dubai, 8 December (Radhika Chatterjee) – The draft text on the "Sharm El-Sheikh Mitigation Ambition and Implementation Programme" (MWP) was transmitted by the Subsidiary Bodies for the consideration of the 5th meeting of the Parties to the Paris Agreement (CMA 5) on 6 December at the closing of the work of the SBs in Dubai.

A key part of the transmitted draft text is in brackets due to divergences amongst the Parties on the way forward for the programme. At the heart of the divergence is the question of whether the MWP decision text should include any high-level political messages.

Several developing countries stressed that political messages should not be included in the MWP as the objective of the programme is to facilitate dialogues and exchange views to provide an opportunity to Parties to share experiences and learn from each other. They said that the focus of the MWP should rather be on improving those dialogues to ensure Parties are able to make the most of the global dialogues conducted under the programme.

Several developing countries also shared that political messages on mitigation are already being discussed under the matters of the global stocktake (GST) of the Paris Agreement (PA) and that any linkage of messages between the GST and the MWP would thus amount to a duplication of work. Further, they expressed concerns about imposing new mitigation targets on developing countries through political messages under the MWP. They argued this would go beyond the mandate of the MWP and add a burden on developing countries.

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, is to be done through the insertion of high-level political messages under the MWP. Some of the key elements of the political messages they emphasised on are: having emission pathways in line with 1.5°C and the peaking of emissions within the next decade, tripling renewable energy, doubling energy efficiency by 2030, phasing out unabated fossil fuels, and eliminating fossil fuel subsidies.

(The work programme for scaling up mitigation ambition was established by Decision 1/CMA.3. The work of this programme was advanced the following year through Decision 4/CMA.4, which 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 and will not impose new targets or goals". According to this decision, the work programme is supposed to continue its work till 2026 before the adoption of a decision on further extension of the work.)

Informal discussions on the MWP began on 1 December as a joint agenda item of the two Subsidiary Bodies, viz., the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI). Co-facilitators **Kay Harrison** (**New Zealand**) and **Carlos Fuller** (**Belize**) presided over seven informal consultations over a period of five days to conduct discussions on the MWP.

After the first session, the co-facilitators presented an informal note to Parties. This note did not have any "formal status" and was prepared by them "under their own responsibility". The note was followed by two more iterations. The third iteration is the one that was transmitted to CMA 5 after the conclusion of the 59th session of the SBs.

Below are highlights of some key interventions during the course of the informal consultations.

Highlights of key interventions

China, speaking on behalf of the **Like-Minded Developing Countries (LMDC)**, expressed its appreciation for the dialogues held under the MWP in its first year. It said the dialogues had created the space for practitioners and policy makers to engage at the same platform and exchange views. It said there was a need now to improve the organisation of dialogues and make them more interactive.

In a strong response to the insistence of developed countries on the inclusion of political messages, it said there could not be a decision to change the mandate and that any outcome must be in line with Decision 4/CMA.4. Any attempt to renegotiate the mandate violates it and the MWP cannot be used to impose new targets and goals, stressed China; instead, the focus should be on the progress of the MWP.

Argentina, speaking on behalf of **Argentina, Brazil and Uruguay (ABU)**, said it was "hearing about some interventions mentioning that MWP is the implementation arm of GST, or that this is the space for implementation of nationally determined contributions (NDCs)". "This is confusing as the implementation of PA is through NDCs … Some delegations seem to mistake climate action for renegotiation of decisions," it said.

On the global dialogues under the MWP, **Zimbabwe**, speaking on behalf of the **African Group of Negotiators (AGN)**, said there is a need to think about how Africa can benefit from access to technology and international cooperation for energy access. Highlighting their concerns about the inclusion of high-level political messages under the MWP, it sought clarity on how those messages would be prioritised. "When we stick to the mandate, it is easier," added Zimbabwe. On the issue of linking the GST with the MWP, it said "the GST complements the MWP" and it did not want to see a duplication of effort.

Saudi Arabia, for the **Arab Group**, highlighted that the dialogues under the MWP "have shown the diversity of solutions and various pathways/approaches to chart out and choose from. There will not be one solution that applies uniformly across all countries. So, not only will a high-level signal of a specific target or message overshadow and undermine the entirety of the work we did, it is also in complete conflict with the decision". It further added that "there are opportunities for improvement to further enhance the effectiveness of these dialogues without compromising the decision and the principles within it".

On the issue of linking the GST and the MWP, it said, "We do not want to duplicate the work done under the GST track. We have a clear mandate and scope which is specific to the implementation of the work programme, and it would not be appropriate to go beyond this. We cannot accept to adopt a decision that changes what we just agreed last year. Specifically, we reiterate that any outcome from the MWP must be in line with the decision 4/CMA.4."

Belize, speaking on behalf of **AOSIS**, said there was a need for course correction to keep the world within the warming limit of 1.5°C. It said that the lessons learnt in the MWP dialogues could be used further, adding that the focus should now be on ambition and implementation for strong outcomes. It further stressed on the need for phasing out fossil fuels, ending fossil fuel subsidies and peaking of emissions, as without such actions, it said, the future of Small Island States would be in jeopardy.

Samoa, speaking on behalf of the **Pacific Small Island States**, said 1.5°C is a matter of survival for them. Emphasising the need for ambitious action, it called for a strong outcome in mitigation through peaking of emissions before 2025, and phasing out fossil fuels and fossil fuel subsidies. It added that there is a need for the MWP to identify actionable solutions.

Colombia, speaking on behalf of the **Independent Alliance of Latin America and the Caribbean (AILAC)**, echoed the views of AOSIS.

Bangladesh, speaking on behalf of the **Least Developed Countries**, shared that it preferred a linkage of the GST to the MWP. It also said that the investment-focused events held under the MWP should be used to attract funds in order to make the MWP a way of enhancing means of implementation for mitigation action.

In a sharply worded intervention, **India** shared its appreciation of the global dialogues held under the MWP and pointed out that those dialogues have vividly illuminated the stark disparity between theoretical models and real-world practices and were significant in understanding the challenges that present themselves on the way forward. "We must resist the temptation to burden this platform with unrealistic expectations of crafting universal instructions immediately following the dialogues.

Such expectations could deter real progress," it said further.

Responding to the call for political messages on the mitigation targets, India said that the "MWP must not be a vehicle to impose further obligations on developing countries which will undermine the nationally determined character of our nationally determined contributions (NDCs). The purpose of MWP is not to pressurise developing countries to increase their ambition, without providing commensurate support which needs to be significantly scaled up from current levels". It further emphasised that it "will not be able to accept any policy prescriptions in the decisions or any discussions regarding specific sectors".

Outlining its expectations from the work programme in the next two years, it said "the work programme must rather address how the world can move towards sustainable lifestyles as a response to combat climate change … the MWP … should not duplicate work of other work streams under the PA but complement and support the same". (This was a reference to the call by developed countries for linking the MWP with the GST.)

Expressing its appreciation for using science in guiding the way forward on enhancing ambition, India said, "We would draw attention to the very clear results from climate science of the direct and almost linear relationship between mean global surface temperature increase and cumulative emissions. The world therefore has to limit cumulative emissions to within a carbon budget to limit warming to levels agreed to in the PA. Combining this with the key principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) of the UNFCCC and its PA, this would mean that the framework of fair and equitable access to the global carbon budget meets the criteria of both – adhering to the best available science and equity. This would also make the MWP much more aligned to provide inputs to the GST."

Egypt, aligning with the position of the **LMDC** and **AGN**, reiterated that any duplication with the GST has to be avoided and that no specific targets should be included in the MWP. It said it is better to focus on the work programme instead.

Other developing countries such as **Iran**, **Kuwait**, **Ghana** and **South Africa** shared similar views.

Stressing the need to work for an ambitious mitigation decision, the **European Union (EU)** said it would like the MWP decision to focus on three broad elements – overall messages from urgency, science and efforts needed by 2030. It said the MWP should provide messages that help to enhance NDCs of all Parties. Referring to the need for linking the GST to the MWP, the EU said discussions going on elsewhere at high level should also be included in the MWP decision text. Underscoring the need for including messages on urgency and emission pathways that are in line with the 1.5°C goal, it said "incremental change will not be sufficient for achieving the objectives of the MWP". It also said the MWP should explicitly include language that is similar to the messages on energy made in Glasgow at COP 26.

Switzerland, for the **Environmental Integrity Group**, said given that little time is available, there is a need for the MWP to engage on accelerating ambition collectively. Appreciating the dialogues held during the first year of the MWP, it said there is now a need to adopt a robust decision with high-level messages. These messages include a reference to reaching 1.5°C pathways and the need to peak emissions by 2025 and reach net zero by 2050.

The **United States** said it expected a strong highlight on the issue of urgency in the MWP decision. It asked for an inclusion of high-level messages on pathways that are in line with the 1.5°C limit and emphasised the "need to reflect science". It further shared it would like to see actionable messages on mitigation and investment in this decade.

The **United Kingdom** said there is a need to stick to emission reduction pathways, and phase out unabated fossil fuels and inefficient subsidies. It also stressed on the need to have messages from the GST and the ministerial roundtable on the MWP.

Australia said this COP is an opportunity to achieve 1.5°C. Referring to the need for urgently scaling up mitigation ambition, it said the MWP cannot let the opportunity pass by. Stressing the need for a strong outcome, it echoed the key political messages that were shared by other developed countries on the need for tripling renewable energy targets, doubling energy efficiency, and phasing out unabated fossil fuels.

Referring to the high-level messages that would be used for linking the GST to the MWP, it said it "can accept that these messages will be negotiated in the GST, but these need to be included in the MWP". It further said that the "mandate is to urgently scale up mitigation – we will not accept any MWP decision that doesn't have any substance on mitigation".

Similar views were expressed by other developed countries like **Canada**, **Japan**, **Norway** and **Republic of Korea**.

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Disagreements halt progress on the global goal on adaptation

Dubai, 8 December (Eqram Mustaqeem) – The two-year Glasgow–Sharm el-Sheikh Work Programme on the Global Goal on Adaptation (GlaSS - GGA) is scheduled to conclude at CMA 5 this year after eight technical workshops and Parties are to agree on a framework on the GGA.

However, after five rounds of informal consultations, disagreements between Parties on the two iterations of the draft decision texts provided by the co-facilitators **Mattias Frumerie (Sweden)** and **Janine Felson (Belize)** on 6 December concluded with Parties failing to reach a consensus on a text for the framework, bringing the GGA work to a standstill. Many developing countries were unhappy that the texts produced were not balanced and did not properly reflect their positions.

Given that the GGA informal consultations failed to reach a consensus on the way forward under the Subsidiary Bodies (SBs), the matter is now passed on to the COP 28 Presidency, who is also presiding over CMA 5, to take the appropriate action. The subsequent way forward will be determined and announced by the COP 28 Presidency at the resumption of the CMA plenary on 8 December, when the climate talks enter the second week.

Below is a brief summary of what transpired under the informal consultations on the GGA during the first week of the talks.

On 2 December in the first round of the informal consultations, **Suriname**, on behalf of the **G77 and China**, emphasised that developed countries have historically emitted most of the greenhouse gas emissions driving climate change today. Developing countries in contrast, despite emitting less, suffer from the adverse impacts brought by climate change. It also stressed that the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) recognises this fact and hence should be the fundamental principle that guides the GGA framework.

Suriname specifically stressed the urgency of ensuring the provision of financial resources for adaptation from developed countries to developing countries, and that it is paramount that finance be mobilised in an adequate, predictable and accessible manner that would allow developing countries to implement effective adaptation measures.

It quoted the 2023 Adaptation Gap Report that places the financing gap for adaptation at between $194 and $366 billion per year and stated that even with the doubling of adaptation finance by 2025, this would only reduce the gap by 5-10%, further underscoring the need for a drastic increase in adaptation finance from developed countries.

Suriname further emphasised that the provision of financial resources should be part of the means of implementation (MOI) within the GGA framework that also encompasses technology transfer and capacity-building support. It stressed further that for the framework to be successful, MOI needs to be included in three ways, as a standalone section, as part of the guiding principles and as an overarching target of the framework.

Suriname further stated that moving forward, further work on the GGA should include the development of indicators and the establishment of a new joint agenda item under the Subsidiary Bodies on matters related to the GGA, and that further work on this crucial issue can be better reflected through the establishment of a new standalone agenda item.

Saudi Arabia for the **Arab Group**, **Argentina** for itself, **Brazil and Uruguay** (**ABU**), **Botswana** for the **African Group**, **Lesotho** for the

Least Developed Countries (LDCs), **Panama** for the **Independent Alliance of Latin America and the Caribbean (AILAC)** and **China** for the **Like-Minded Developing Countries (LMDC)** all delivered interventions concurring with Suriname.

The **European Union (EU)** explicitly stated that it does not see MOI as being part of the framework, instead highlighting the important role of multilateral development banks (MDBs), international financial institutions (IFIs) and the private sector and their inclusion in the framework to deliver adaptation finance.

The first round of informal consultations ended with a request by Suriname to not give the mandate to the co-facilitators to develop the text until Parties had had time to reflect and coordinate on what had been said, noting that it would be open to considering giving the mandate at the next session.

On 3 December in the second round of informal consultations, Parties reiterated their positions on the GGA framework, with all blocs in the G77 and China again stressing the importance of MOI in the framework. They agreed to give the mandate to the co-facilitators to develop a text. **China**, for the **LMDC**, emphasised that the text should be a compilation of the positions of Parties and not just a highlight of the points of convergence.

In the third round of informal consultations on 4 December, all Parties were in consensus that the first iteration of the draft decision text provided by the co-facilitators did not reflect their respective positions and also noted how they were not able to properly review the text due to time constraints.

Saudi Arabia, for the **Arab Group**, regarded the text as imbalanced and called for a new text that compiles the positions of all Parties. **Argentina**, for **ABU**, reiterated that the mandate given was to compile the views of all Parties and regretted how MOI was not included as part of the GGA framework in the text. It echoed Saudi Arabia's call for a new text that compiles the positions of all Parties. **Panama**, for **AILAC**, stated that the text was imbalanced and that the views of developing countries were not adequately considered, specifically on matters regarding MOI.

China, for the **LMDC**, stated that the text ignored the positions of developing countries despite Parties having repeatedly asserted that the text should be a compilation capturing all views, not only the points of convergence or agreement. It called for a new text to be developed accordingly and expressed concerns on how the CBDR-RC wording was bracketed in the text.

Botswana, for the **African Group**, noted with concern how the provided text did not capture all views, giving extensive examples of how the text failed to capture their position.

The developed countries, whilst expressing their disappointment with the text that failed to reflect their views, were of the opinion that Parties should engage on the current text instead of a new one.

At the end of the session, the co-facilitators declared that they would be drafting a second iteration of the text.

On 5 December at the fourth informal consultations, Parties stated that they were not able to properly review the second iteration of the text provided by the co-facilitators due to it being submitted less than two hours before the consultations started.

Saudi Arabia, for the **Arab Group**, requested that Parties only give general views without going into the details of the text as they had not gotten the opportunity to review the text due to time constraints.

The interventions made by Parties then only touched on generalities of the GGA framework and did not go into the specifics of the text.

In the fifth and final round of the informal consultations on 6 December, after Parties had had adequate time to review the second iteration of the text, the room was fragmented between Parties who wanted to engage with the text and Parties who wanted to give the mandate to the co-facilitators to draft a new text compiling the submissions from all Parties.

As the Parties could not come to a consensus and the allocated time had been exhausted, the co-facilitators had to conclude the session and report to the SB Chairs that there was no consensus in the room.

Whether and how further progress is made on this issue remains to be seen in week two of the Dubai negotiations.

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COP 28 President outlines work mode to accelerate outcomes in Dubai

Dubai, 9 December (Hilary Kung and Meena Raman) – At the opening of the plenary of the COP, CMP and CMA on 8 December, COP 28 President Dr. Sultan Ahmed Al Jaber of the UAE outlined a mode of work to accelerate the pace of negotiations to have outcomes for the COP and for it "to be remembered as the COP that brought the world together; a COP that changed the game", and appealed to Parties to "get the job done".

When the Subsidiary Bodies (SBs) ended their work on 6 December after intense work in the first week of the climate talks that began on 30 November, Parties agreed to transmit to the CMA for its consideration draft texts which were in brackets or contained many options indicating a lack of consensus, for further work to be done to arrive at compromises. These included texts relating to the global stocktake (GST), the mitigation work programme and just transition pathways. There was no draft text in the case of the global goal on adaptation (GGA).

Negotiations on finance are ongoing under the COP and CMA (which were not under the SBs) and developed and developing countries are deeply divided on such finance-related issues as long-term finance (on the delivery of the annual $100 billion), doubling of adaptation finance, climate finance definitions, how to deal with Article 2.1(c) of the Paris Agreement (PA), the new collective quantified goal and Article 4.5 of the PA on scaling up the means of implementation of nationally determined contributions (NDCs) including domestic mitigation actions.

On the way forward to find consensus, the COP 28 President convened a plenary meeting to provide more guidance on how the work will be organised in the coming days, in order to close the climate talks on "Tuesday, 12 December, by 11 am at the latest". (Some veteran observers commented that Al Jaber was being rather optimistic, given the tremendous amount of work to be done to find consensus on many agenda items, and judging from previous COPs that usually spill over for at least a day.)

In the organisation of work, the COP President proposed pairs of ministers (one from developed and one from developing countries) to convene consultations with Parties at the political level, to consider the options on the key political signals and advance areas of convergence on the GST and ensure coherence on other issues of mitigation, adaptation and means of implementation. He then announced the ministers who will be engaged as follows:

a) Cross-cutting issues under the GST: **Barbara Creecy (South Africa)** and **Dan Jørgensen (Denmark)**;
b) Adaptation under the GST and on the GGA: **Maisa Rojas (Chile)** and **Jennifer McAllister (Australia)**;
c) Mitigation: **Grace Fu (Singapore)** and **Espen Barth-Eide (Norway)**; and
d) Means of implementation (MOI): **Yasmine Fouad (Egypt)** and **Steven Guilbeault (Canada)**.

The ministerial consultations began in the afternoon of 8 December and the ministers are to report the outcome to the Presidency by 9 December evening.

Further technical work will also take place on the mitigation work programme (MWP), work programme on just transition pathways, GGA, Article 6, response measures and reporting and review pursuant to Article 13 of the PA, in parallel with progress on areas that do not require political guidance. (Further details on the way forward are captured below.)

The Presidency expected all the technical work to conclude by 3 pm on 9 December and there will be a stocktaking plenary to provide an overview of progress on all consultations in the evening of 9 December.

Further, the Presidency also proposed an open-ended single setting called *Majlis*, which he explained is an Arabic term used to refer to a council or a special gathering. Al Jaber said the *Majlis* will be comprised of ministers and heads of delegation (HODs) "to bring together the different outcomes to strike the right balance" and will be led by the COP President. The *Majlis* will begin on 10 December, and more information will be provided in due course, said Al Jaber further.

This mode of work proposed by the President was agreed to by Parties.

Later during the day, consultations with ministers began on the GGA, as well as consultations with the COP Presidency and HODs on a new iteration of the draft text on the GST.

Below is a brief background on some of the key issues.

Global goal on adaptation

At the closing plenaries of the SBs, it was made clear that the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) had not concluded their work on the GGA and no text was forwarded to CMA 5 due to major divergences on the draft text prepared by the co-facilitators (see TWN Update 13).

The way forward outlined by the Presidency will see the convening of ministerial consultations on adaptation under the GST and on the GGA, while talks on specific issues that do not require political guidance will take place concurrently, to be led by the **SBSTA Chair (Harry Vreuls)** and the **SBI Chair (Nabeel Munir)**.

Global stocktake

The SBSTA and the SBI were unable to conclude their work on the GST but the updated textual building blocks were forwarded to CMA 5 together with Parties' views and submissions not yet fully reflected, with a caveat that the textual building blocks "are not an agreed text and represent work in progress" and that a third iteration of the text was to be produced. (Please see TWN Update 11 for further details on the GST negotiations during the first week.)

On the way forward, the COP Presidency said it is important to shift gears for further work to be convened at the political level and expects all the ministerial consultations to advance areas of convergence on the GST and also ensure coherence with other issues.

Joseph Teo (Singapore) and **Alison Campbell (UK)**, who were co-chairs of the GST Joint Contact Group, were to assist the Presidency in preparing the third iteration of the building blocks, taking into account views and submissions provided by Parties on the second iteration of the text. The third iteration of the text was then made available to Parties and an HOD consultation was convened by the COP Presidency at 8 pm on 8 December to hear views following the release of the text.

Mitigation work programme

The SBSTA and the SBI were unable to conclude their work on the MWP, with bracketed draft text being forwarded to the CMA.

On the way forward, the COP President suggested that **Kay Harrison (New Zealand)** and **Carlos Fuller (Belize)** continue the technical work to find convergence while ministerial consultations are to provide the political guidance.

The key point of divergence is the question of whether the MWP decision text should include any high-level political messages. (See TWN Update 12 for further details on the divisions in the MWP negotiations during the first week.)

Work programme on just transition pathways

The SBSTA and the SBI were unable to conclude their work on the work programme on just transition pathways but agreed to forward the bracketed draft text to the CMA for further work.

On the way forward, the COP Presidency proposed to continue work to find consensus among Parties under the new co-facilitators – **Marianne Karlsen (Norway)** and **Simon Cardy (South Africa)**.

The draft text has 'placeholders' without text in two areas – the "preamble" and "scope" of the work programme – indicating that Parties could not reach a consensus on having any text in these areas. The whole text is also bracketed.

The informal consultations on 6 December had seen Parties engage in discussions on streamlining the draft text where the **G77 and China** offered a bridging proposal in an attempt to bridge the divide. The breaking point appeared to be a proposal from the **United States (US)** stating that the current draft text did not reflect its views and still included elements which it did not agree on. The US then proposed a further option on the scope of the work programme to include "unabated fossil fuel power", which garnered support from other developed countries like **Canada**, the **UK** and **Norway**. The US proposal read: "Just transitions for all countries that aim to enhance and accelerate climate action, do not imply a delay in action by anyone, and do not impose consequences of new unabated fossil fuel power, especially on the most vulnerable."

The informal consultations then moved into a huddle which saw Parties coordinating within their respective groups until 6 December evening. Parties finally agreed to put a placeholder without any text in the "preamble" and "scope" sections, and transmitted the work to the CMA at 7 pm on 6 December, right before the start of the closing plenary of the SBs.

Response measures

The SBSTA and the SBI did not conclude their consideration of matters relating to the forum on the impact of the implementation of response measures, and agreed to forward the matter to the COP, CMP and CMA for further guidance, taking into account the draft text for this agenda item available on the UNFCCC website.

Going forward, the COP Presidency proposed to have **Andrei Marcu (Honduras)** and **Georg Børsting (Norway)** conclude the outstanding technical work on this issue.

The draft text focused on the review of the functions, work programme and modalities of the forum on the impact of the implementation of response measures and is bracketed in its entirety.

One of the activities proposed by developing countries seen in the text is: "Enhance capacity and understanding of Parties, on the assessment and analysis of the impacts of implementation of climate-related unilateral measures, (in particular those that are inconsistent with a global trajectory to net zero emissions,) and cross-border impacts, to address the negative impacts to Parties especially developing countries, to be implemented by the Katowice Committee of Experts at SB60, by receiving input from experts, practitioners and relevant organizations, and technical paper, and by the forum at SB62 through exchange and sharing of experience and best practices and conclusions/ draft decisions."

Article 6

On Article 6, the SBSTA agreed to transmit the draft text to the CMA for further work, while noting that the draft text being forwarded does not represent a consensus among Parties.

On the way forward on outstanding technical work on matters related to Article 6, the Presidency outlined the organisation of work below:

- **Maria Jishi (Saudi Arabia)** and **Peer Stiansen (Norway)** to conclude work on cooperative approaches referred to in Article 6.2;
- **Sonam Tashi (Bhutan)** and **Kate Hancock (Australia)** to conclude work on rules, modalities and procedures for the mechanism established by Article 6.4; and
- **Kristin Qui (Trinidad and Tobago)** and **Jacqui Ruesga (New Zealand)** to conclude work on the work programme under the framework for non-market approaches referred to in Article 6.8.

Loss and damage

On the Warsaw International Mechanism for Loss and Damage, the SBs agreed to forward a draft decision on the Report of the Executive Committee of the Warsaw International Mechanism for adoption in Dubai. The draft decision text also saw a placeholder pending an outcome of the COP President's consultations on the governance of the Warsaw International Mechanism.

For the Santiago Network under the Warsaw International Mechanism for Loss and Damage, the SBs recommended a draft decision text on the selection of the joint proposal submitted by the United Nations Office for Disaster Risk Reduction and the United Nations Office for Project Services for the hosting of the Santiago Network secretariat for an initial term of five years, with five-year renewal periods for consideration and adoption of the decision.

Rule 16

Parties could not agree to conclude on six agenda items under the SBs, and hence "Rule 16" was applied. Some of the six agenda items with "Rule 16" are related to "Review of the progress, effectiveness and performance of the Adaptation Committee", "Matters relating to Action for Climate Empowerment", "Emissions from fuel used for international aviation and maritime transport", etc.

(Rule 16 refers to the UNFCCC Rules of Procedure, where if consideration of an item on the agenda of a session has not been completed at the session, it shall be included automatically in the agenda of the next session.)

For the second review of the functions of the Standing Committee on Finance, the SB conclusion was to defer the consideration of this matter to SBI 61 (November 2024).

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Parties begin work on draft text on global goal on adaptation

Dubai, 11 December (Eqram Mustaqeem and Meena Raman) – With less than 48 hours before the curtains come down on COP 28 in Dubai, Parties agreed on 10 December to work on a draft decision text on the global goal on adaptation (GGA), prepared by the UAE Presidency, as the basis of work going forward for an outcome.

At a heads of delegation (HODs) meeting on the GGA convened by COP 28's Chief Executive Officer **Adnan Amin**, he explained that "no text was forwarded" to the Presidency (following the work of the Subsidiary Bodies from the first week of the climate talks which began on 30 November) and that there were "many divergent views, both political and technical, [which] required clear change in progress".

Amin said that in the past two days, extensive ministerial consultations were conducted led by ministers **Maisa Rojas (Chile)** and **Jennifer McAllister (Australia)** in parallel with technical consultations led by the SB Chairs, **Nabeel Munir (Pakistan)** and **Harry Vreuls (Netherlands)**, on the priorities, issues and concerns of Parties.

Amin said that the result of these consultations led to the draft text on the framework for the GGA, and called on Parties to "pick up pace" and provide a "sense of the overall balance and on the critical issues that need to be improved".

Cuba, speaking for the **G77 and China**, said that the text is not perfect but they are willing to engage and build on it. The first issue raised was that the timelines provided in the text for the targets are confusing and unrealistic, and could be improved by streamlining all the different timelines into a unified timeline of 2030.

(Cuba was referring to paragraph 11 in the draft text that provides as follows: "Decides that the framework for the GGA includes the following targets in relation to the dimensions of the iterative adaptation cycle, recognizing the need to enhance adaptation action and support:

(a) Impact, vulnerability and risk assessment: by 2025, all Parties have in place up-to-date assessments of climate hazards, climate change impacts and exposure to risks and vulnerabilities and have used these assessments to inform their formulation of national adaptation plans and nationally determined contributions; and by 2027, all Parties have established multi-hazard early warning systems and climate information services for risk reduction;

(b) Planning: by 2025, all Parties have in place country-driven, gender-responsive, participatory, inclusive and transparent national adaptation plans, policy instruments, planning processes and/or strategies, covering, as appropriate, ecosystems, sectors, people and vulnerable communities, and have mainstreamed adaptation in all relevant strategies and plans;

(c) Implementation: by 2030, all Parties have progressed in implementing their national adaptation plans, policies and/or planning processes and, as a result, have reduced the social and economic impacts of the key climate hazards identified in the assessments referred to in paragraph 11(a) above;

(d) Monitoring, evaluation and learning: by 2030, all Parties have designed, established and operationalized a system for monitoring, evaluation and learning for their national adaptation efforts and have built the required institutional capacity to fully implement the system".)

Further, Cuba iterated that it is imperative that means of implementation (MOI) be included for developing countries to achieve those timelines and targets. It suggested a chapeau that reads "Developed countries shall provide support including financial resources on a grant and highly concessional basis to support developing countries' adaptation needs and priorities … that should be applicable to the timelines and targets."

Cuba also emphasised that language on MOI should be present throughout various paragraphs of the text and that it should make reference to the importance of reporting on the support provided for the implementation of the GGA, with a standalone agenda item in the process to be established on the GGA for further work.

It also said that the whole purpose of the GGA framework is to enhance adaptive capacity of countries to face the impacts of climate change and that must be reflected.

China, for the **Like-Minded Developing Countries (LMDC)**, noted that the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) is of critical consideration and should be in the text without any other alternative option. It emphasised that strengthening adaptation action must be based on sufficient support and MOI from developed countries. It added that the developed countries should provide financial resources to assist adaptation action in developing countries in line with their obligations under the Convention and Article 9.1 of the Paris Agreement (PA).

Saudi Arabia, for the **Arab Group**, insisted on the inclusion of the principles of equity, CBDR-RC, national circumstances, priorities, and needs that take into account sustainable development and the eradication of poverty, and for adaptation action to be country-driven and country-specific.

Colombia, for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, wanted the shortcomings of adaptation action, existence of adaptation finance gaps and the accelerated implementation of adaptation action to be a priority in the text. It also wanted all developing countries to have access to early warning systems that are to be financed through the UNFCCC's financial mechanism, and called on developed countries to deliver adaptation finance to developing countries in a timely and predictable manner. It viewed adaptation as a global challenge faced by all Parties and expressed preference for the language of Article 7.2 of the PA instead of the language outlined in paragraphs 27 and 33.

(Paragraphs 27 and 33 of the draft decision text have specific references to least developed countries (LDCs) and small island developing States (SIDS), while Article 7.2 does not have such particular references.)

Zambia, for the **African Group**, reiterated Cuba's view on the need to have a chapeau for the targets and timelines on the transfer of public finance from developed to developing countries on a grant and highly concessional basis. It also stated that the text should note with concern that the amount of adaptation finance has decreased by 21% instead of welcoming the progress made in climate finance.

Samoa, for the **Alliance of Small Island States (AOSIS)**, emphasised that the GGA must encompass high-level elements that are critical to accelerating adaptation action and support. It viewed the timelines for the targets as not being realistic and said that a mainstream target timeline of 2030 would be better. Further, it stressed that language on MOI in the text is critical for AOSIS and that no alteration on existing MOI language should be made.

Argentina, for itself, **Brazil and Uruguay (ABU)**, underlined that language on MOI in the text is very weak and should be strengthened and that every target outlined in the text should be complemented with language on MOI. It also stressed that the principle of CBDR should be reflected in the text in accordance with Article 7 of the PA and that it is of paramount importance for a standalone agenda on the GGA to be established in the process.

Senegal, for the **LDCs**, indicated its preference for text on MOI that is aligned with Articles 9 and 11 of the PA, and said that the ambitious target of enhancing adaptation should be supported by larger means of support. It raised concerns over the definition of "transformational adaptation" cited in the text and called for its removal, and also wanted an MOI target to be included in the GGA.

Mexico, for the **Environmental Integrity Group (EIG)**, underlined the importance of a strong political message on adaptation in the GGA and emphasised that it is important for MOI to be addressed in a broader sense in the GGA so as not to prejudge the discussions on the new collective quantified goal on climate finance (NCQG). It added that the overarching signal should be to mainstream adaptation into policy planning, especially for those who are most vulnerable.

The **Russian Federation** also made calls for a wide definition of MOI in the framework that includes financial support amongst others.

The **European Union** viewed the timeline for the targets set as unrealistic, saying that it posed too much of a burden on Parties. It could not support "mechanical links to targets and financial commitments that do not work in our regime", except those which reflect the spirit of the PA. It emphasised its commitment to doubling adaptation finance while rejecting having a standalone agenda item on the GGA.

The **United States** echoed the call of the EIG on mainstreaming adaptation into development as an overarching element. It also said that targets should be set which are globally relevant and lasting.

It also said that the current text is very heavy on the MOI side and called for a balance in that regard and that it should not prejudge discussions next year (in reference to the NCQG).

It viewed the inclusion of CBDR in the text as an effort to elaborate the PA and references to the Convention which are completely outside the mandate of the text, while emphasising that it will not support any reference to CBDR in the text and preferred the "no text" option in this regard.

(The US was referring to the following options that appear in the draft text:

"Option 1: Recalling relevant provisions and principles of the Convention and the Paris Agreement, in particular, the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, and Articles 9, 10 and 11 of the Paris Agreement,

Option 2: Recalling relevant provisions and principles of the Convention and the Paris Agreement,

Option 3: No text.")

The **United Kingdom** echoed the US, as did **Japan** in this regard. Japan opined that the reference to CBDR in the text should be deleted along with any reference to new and additional finance for adaptation, while underscoring that it is important to include diverse sources of finance from multilateral development banks and private financial institutions in the framework, and that there is too much reference to public financial support from developed to developing countries.

Norway emphasised that it is important to have realistic timelines as all countries have different starting points and thus the timeline for adaptation action should be inclusive, just and one that enables everyone to be on board. On CBDR, Norway said it recognised the importance of Article 9 of the PA (on the provision of finance) and the need to urgently scale up adaptation finance, but did not support the reference to CBDR in the text.

At the end of the meeting, Amin thanked parties for engaging and giving their views on the text and affirmed that the Presidency will take them into consideration. He encouraged Parties to submit their views in writing due to the lack of time and said further work will continue on incorporating Parties' views in the text and finding an outcome that will achieve general agreement and satisfaction.

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Tough negotiations on just transitions and response measures

Dubai, 11 December (Hilary Kung) – Negotiations on the work programme on "just transition pathways" and on "the forum on the impacts of the implementation of response measures" proved to be tough in Dubai, with two more days left to the scheduled closure of the climate talks on 12 December.

The work programme on "just transition pathways" and "the forum on the impacts of the implementation of response measures" were among the outstanding work carried over from the Subsidiary Bodies (SBs) where bracketed draft text for further work was forwarded from the first week (see TWN Update 14).

Work programme on just transition pathways

Under guidance from the COP Presidency, efforts to reach consensus among Parties on the work programme on just transition pathways continued under the new co-facilitators, **Marianne Karlsen (Norway)** and **Simon Cardy (South Africa)**.

The consultations under the Presidency on 8 and 9 December were closed to observers but sources said that the **G77 and China** brought a bridging proposal on the "preamble" and "scope" of the work programme to the table.

The informal consultations convened in the afternoon of 9 December saw a new draft text circulated by the co-facilitators which included proposed text in the "preamble" and "scope" sections without any placeholder.

It was learnt that the textual proposal from the G77 and China was not reflected in its entirety as an option in the new text. **Zambia**, on behalf of the **African Group (AGN)**, said in one of its interventions that it would be challenging if the bridging proposal from the G77 and China was not listed as an option on the table. The **United States (US)** said it never agreed to the use of the G77/China bridging proposal as a basis for negotiation as "it would take us backward if we take in new option".

One of the major changes seen in the entire text was the change in the language from "just transition pathways" to "pathways to just transition". Sources said that this language was introduced by the developed countries during the closed-door consultations under the Presidency.

Many developing countries were opposed to the change in the text and wanted to retain "just transition pathways" as per the title of the work programme. When reacting to the change in the language, **Brazil**, for itself, **Argentina** and **Uruguay (ABU)**, said the original language was stronger in linking transition pathways to "justice" and "equity"; the current language of "pathways to just transition" missed the "just".

Bolivia, for the **Like-Minded Developing Countries (LMDC)**, pointed out that even though pathways to just transitions were mentioned in the previous decision, "just transition pathways" was the title of the work programme and should be maintained in the text.

India also highlighted that "pathways to just transition" was unclear but there was a need to make sure that the "pathways" were not referring to the global mitigation pathways in the Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report as there were certain assumptions in the global mitigation pathways which did not consider "equity". Elaborating further, India said there were possibilities for this work programme to reflect global equity to create and enable just transitions nationally.

Saudi Arabia, for the **Arab Group**, suggested that whenever "pathways" was referenced in the draft, it should be written in full

– "just transition pathways". **Zambia**, for the **AGN**, also echoed the concerns raised by others.

On the scope of the work programme, many developing countries commented that the text was "out-of-balance between international and national dimensions" given that this was a multilateral process. (Three out of the four bullet points in the text contained references to "Pathways to just transition that include energy transition…", "Country-driven…", and "Opportunities and challenges, best practices and experiences on pathways to just transition, at the international and national levels".)

Zambia, for the **AGN**, said that at the minimum, the group wanted to have clear language from the Sharm el-Sheikh decision text (paragraphs 50-52 of Decision 1/CMA.4). Zambia said the reason it had a problem with the framing was that the scope focused on the national aspect; it viewed that the focus of this multilateral process should be on the international dimension of just transitions. Commenting further, it called for international cooperation to support just transitions to meet the goal of the Paris Agreement (PA).

India echoed the same concerns over the need for balance between national and international dimensions as the discussion in the work programme appeared to focus on the national level.

Brazil, for **ABU**, also said that we could not have equity and justice if there was no reference to the international dimension in the work programme.

Commenting on the "energy transition" language, **Bolivia**, for the **LMDC**, suggested using the PA language and that the issue of "energy" should be wider and not just on the energy transition. This was echoed by **Saudi Arabia**, for the **Arab Group**, which said that "energy transition" was not used in paragraph 51 of the Sharm el-Sheikh decision from last year.

(Paragraph 51 of the Sharm el-Sheikh decision reads: "Emphasizes that just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition, and highlights the important role of the instruments related to social solidarity and protection in mitigating the impacts of applied measures.")

Regarding the preamble of the work programme, one of the most contentious points was the call by **Brazil** on behalf of **ABU**, and supported by **China** and **India**, to reference Article 3.5 of the Convention in relation to the issue of "trade-related unilateral measures to combat climate change with cross-border impacts".

The textual proposal was also seen in the bridging proposal submitted by the G77 and China, which read: "Highlighting that 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 and 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."

Developed countries could not agree to this proposal.

Given the divergences in the room and no consensus on the draft text, the co-facilitators, after consulting the Presidency, said they would reconvene informal consultations at 9 pm on the same day (9 December) to give the formal guidance from the Presidency on the way forward. During the informal stocktaking plenary convened by the Presidency at 8.30 pm, it was reported that the Presidency hoped Parties could agree to the draft decision text when they reconvened the informal consultation at 9 to 11 pm.

The co-facilitators were seen giving a final push by producing a new iteration of text for Parties to consider when they reconvened the consultation at 10.30 pm. Given that this was the final push, the co-facilitators said they would not edit the text except to add brackets and asked Parties to stretch as far as possible and only take the floor if there were texts that "you simply cannot live with". The co-facilitators said they would report back to the Presidency on all of the concerns raised by Parties together with the new draft text.

The entire text was bracketed, denoting a lack of consensus. There was also a bracket around the contentious reference to Article 3.5 of the Convention in the preamble which was related to unilateral measures. The text also kept the "just transition pathways" language, instead of "pathways to just transition". It was understood that the preamble did include some bridging proposal submitted by the G77 and China.

The preamble also referenced the text from the PA with regard to the need for Parties, when taking action to address climate change, to respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity.

The scope of the work programme also saw a formulation of text from the Sharm el-Sheikh decision text (paragraphs 50-52 of Decision 1/CMA.4) with more balanced language on the international and national dimensions based on the verbal and written submissions from Parties.

Japan suggested adding brackets to the reference to the Convention, which was then countered by **Zambia** for the **AGN**, citing that the PA was to enhance the implementation of the Convention. The **US** also made a similar suggestion to clarify the "UNFCCC" language used in the text.

Most of the interventions from developed countries like the **European Union (EU)**, **Canada**, the **United Kingdom (UK)** and the **Environmental Integrity Group (EIG)** centred around adding text regarding human rights into the scope.

The **UK**, the **US** and the **EU** also proposed to add a bracket in paragraph 4 of the draft text on the modality of the work programme that read: "Further decides that the work programme shall be implemented under the guidance of the SBSTA and the SBI through a joint contact group at each of its sessions with a view to recommending a draft decision to the CMA for its consideration and adoption at each of its sessions."

This provoked some reactions from Parties like **Egypt** and **China** to bracket another modality language on holding two dialogues each year as part of the work programme in paragraph 5, while others like **Bolivia**, for the **LMDC**, and **India** called for the deletion of the bracket.

In terms of the timeframe of the work programme, the draft text suggested that the implementation of the work programme would start immediately after CMA 5 in Dubai, with a view to the work programme informing the second global stocktake and other relevant processes, and with agreement to review the effectiveness and efficiency, and consider the continuation of the work programme at CMA 8 in 2026.

China called for the deletion of the "consider the continuation" text as it said there should be no termination date for the work programme.

The preamble of the draft text underscored "the importance of urgent delivery of means of implementation (capacity-building, climate finance, and technology development and transfer) to facilitate just transition pathways, and enhancing international cooperation on, and support for, just transition pathways, especially for developing countries". It was understood that this language was from the G77 and China's bridging proposal which was intended for the scope of the work programme.

According to sources, the Presidency attempted to produce a newer version of the text based on the report back from the co-facilitators and the concerns raised by Parties. However, the sources said that the newer version released by the Presidency had upset the balance in the text and Parties preferred to stick to the earlier version. Delegates then received an email confirming the withdrawal of the draft text from the UNFCCC webpage.

How this unfolds will be keenly watched as the implementation of the work programme is expected to start next year.

Response measures

Consultations on the forum on the impact of the implementation of response measures in Dubai saw continued opposition by developed countries to any attempts from developing countries to discuss the potential adverse impacts of trade-related climate measures with cross-border impact (which has been a contentious subject since the beginning of the Katowice Committee of Experts' (KCI) workplan in 2020).

This opposition continued despite the proposal for a new agenda item by the **BASIC** group of countries (**Brazil, South Africa, India and China**) on "Concerns with unilateral trade measures related to Climate Change and their potential adverse impact on equitable and just transitions, in the context of sustainable development and efforts to eradicate poverty" at the beginning of COP 28.

The COP Presidency proposed to have new co-facilitators, **Andrei Marcu (Honduras)** and **Georg Børsting (Norway)**, to conclude the outstanding technical work on this issue.

Parties were mandated to finalise the midterm review of the six-year workplan (2020-25) of the forum and its KCI, as well as initiate the process of conducting a review of the functions, work programme and modalities of the forum.

(The Katowice Committee of Experts on the Impacts of the Implementation of Response Measures was established in Katowice, Poland, in December 2018 to support the work programme of the forum on the impact of the implementation of response measures arising from the implementation of mitigation policies, programmes and actions, which could have both positive and negative impacts, especially cross-border environmental, social and economic impacts. The agreed KCI workplan for 2020-25 includes activities that refer to the just transition of the workforce and creation of decent work and quality jobs, as well as economic diversification and transformation.)

The informal consultations on 10 December saw intense wrangling and major divergences between developed and developing countries on the new draft text prepared by the co-facilitators, covering review of the functions, work programme and modalities of the forum on the impacts of the implementation of response measures, midterm review of the workplan, and report of the forum on the impacts of the implementation of response measures.

One of the major divides was on the work programme, where developed countries like the **US**, the **EU** and **Switzerland** proposed to focus on the "environmental, social, and economic co-benefits of climate change policies and actions" and were strongly against the addition of the term "adverse impacts" proposed by developing countries.

Saudi Arabia, on behalf of the **G77 and China**, responded that it was very important for developing countries to focus on addressing any negative impacts and this would "not in any way try to undermine efforts" (on climate action).

It also noted that one of the major concerns from developed countries was related to the proposal to include trade-related climate measures with cross-border impact in the text, but stated that the term "cross-border impact" was already on the Response Measures website of the UNFCCC. Hence, it would like to recall Article 3.5 of the Convention in the preamble, said Saudi Arabia.

Further, the current text also saw the deletion of the following pertaining to trade-related climate measures with cross-border impacts:

- Work Programme: "The assessment and analysis of the impacts of implementation of climate change related unilateral measures with cross-border impacts, and to explore ways to minimize the negative impacts to parties, especially developing countries" in the Work Programme.
- Activities in Annex II: "Enhance capacity and understanding of Parties, on the assessment and analysis of the impacts of implementation of climate-related unilateral measures, [in particular those that are inconsistent with a global trajectory to net zero emissions,] and cross-border impacts, to address the negative impacts to parties especially developing countries, to be implemented by the KCI at SB 60 by receiving input from experts, practitioners and relevant organizations, and technical paper, and by the forum at SB 62 through exchange and sharing of experience and best practices and conclusions/draft decisions."

Developing countries, led by the G77 and China, attempted to reintroduce the work programme into the text, while China proposed to retain the activity in Annex II.

The **US** reacted to the new addition in the text and remarked that this felt as if it was going further from consensus, which was also echoed by the **EU**.

The **US** and the **EU** also reiterated their concerns on other areas of the text and suggested finishing only the midterm review of the workplan and deferring discussion on the review of the forum to Bonn 2024, which was rejected by developing countries.

At the end of the session, the co-facilitators said they would try to include all the interventions made by Parties in the text and then report back and hand it to the Presidency.

Whether there will be a landing zone in Dubai with regard to trade-related climate measures with cross-border impact will be closely watched.

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Fossil fuel phase-out in developing countries requires new economic order

Dubai, 11 December (Radhika Chatterjee) – "A new economic order that would help guide the economic and energy transition is required for addressing the challenge of climate change," said **Susana Muhamad**, the **Minister of Environment** from **Colombia**, in a setting called the *Majlis* convened by the COP 28 President at the Dubai climate talks on 10 December.

Speaking in the context of science and the need for phasing out fossil fuels, she said, "Let's recognise we need to phase out fossil fuel progressively – let's think we need a new economic deal for that."

Addressing the challenges of transitioning away from fossil fuels, Muhamad shared the difficulties her country has faced in dealing with its own transition away from oil. She pointed to the crucial need for aligning the economic and financial system to this transition.

The Colombian Minister also acknowledged that the mechanism for making such changes does not lie with the UNFCCC. Sharing her country's own experience in mitigation action, she recounted, "When our President [Gustavo Petro] said he will not sign any new coal or oil contract, the peso devalued the next day. Credit rating agencies downgraded us. How do we repay our debt? How do we deal with these kinds of contradictions?"

On the question of tripling renewable energy, Colombia asked who would be expected to do that – "those who are able to access capital at a rate of 5% [interest] or those who get it at 30%?"

(A big push in the Dubai talks under the global stocktake (GST) has been on the phasing out of fossil fuels and the tripling of renewable energy along with other global mitigation targets.)

Stressing the challenges of the transition, especially for countries like Colombia and Saudi Arabia, whose economy is largely dependent on fossil fuels, Muhamad said, "We need an economic plan for this. If we are able to recognise what are the difficulties; we need to see what science says. Let's face the difficult discussion of what that means and let's do it from a political perspective, not from a negotiation language. Then we can bring that political perspective into the negotiation language."

Barbara Creecy, the **Minister of Environment** of **South Africa**, speaking about her country's experience with implementing a just energy transition framework, said, "Today, we have received less than 10% of the support of what we need between now and 2030 for the implementation plan. For many developing countries, particularly in the African continent, the gap is not in ambition; it is in the question of means of implementation."

Several other developing country ministers and representatives also highlighted the gaps in the means of implementation and the lack of delivery of climate finance by the developed countries as a major barrier to their mitigation ambition.

Some developing countries also stressed the importance of recognising the principles of equity and common but differentiated responsibilities (CBDR) as set out in the UNFCCC and its Paris Agreement (PA) to keep in mind the differentiation between developed and developing countries, especially the fact that the two have different starting points from which they are expected to take climate action.

Reaffirming their commitment to delivering on climate action, developing countries said the problem is not a lack of ambition on their part, rather the lack of means of implementation. They pointed out the need for delivering climate finance and doubling adaptation finance, and also emphasised the need for maintaining the bottom-up nature of the PA in the formulation of nationally determined contributions (NDCs).

Many developed countries and some developing countries like the **Alliance of Small Island States** (**AOSIS**) underlined the urgent need to raise mitigation ambition for keeping the 1.5°C goal within reach, adding that pathways for keeping to the goal are "in line with science". Calling for ambitious actions, many of them mentioned global targets like tripling renewable energy by 2030, doubling energy efficiency, peaking global emissions by 2025, and reducing emissions by 43% by 2030 from 2019 levels.

On the issue of climate finance, developed countries acknowledged the importance of public finance, but at the same time also said that the private sector and multilateral development banks (MDBs) have an essential role to play in scaling up climate finance delivery.

The *Majlis* saw the participation of ministers and heads of delegation who were invited to find answers to two questions and come up with "landing zones". The guiding questions for the session were: (i) "How do we build transformative ambition on mitigation while addressing just and equitable transitions and corresponding support requirements?" and (ii) "How do we credibly tackle the gap in adaptation finance and action?" Several speakers representing countries and groupings took the floor to share their views.

Bolivia, speaking on behalf of the **Like-Minded Developing Countries**, made a strong intervention saying the solutions to the two questions lay in the Convention and the PA. It said, "The solution is to implement the principles of equity and CBDR." Speaking in the context of unity and the need for action, it said, "There are progressive forces trying to create action, but there are also forces that are pushing back against collective action and solidarity. These forces are coming from the Global North. We see a lot of procrastination and the introduction of unilateral measures like the carbon border adjustment mechanisms (CBAMs). This is making it very hard to find solutions to the climate crisis."

Calling out the hypocrisy of developed countries, it said, "We see hypocrisy in the push for hard goals for developing countries, while developed countries are taking business-as-usual solutions. But they are creating a lot of difficulty for developing countries."

"Several countries are saying we push out fossil fuels, but those countries are planning the expansion of fossil fuels," Bolivia further said, adding that these countries included the United States, Australia, Norway, Canada and many others. "We need to expose the hypocrisy and the lies."

Highlighting the failure of developed countries to deliver climate finance, it asked where was the $100 billion that developed countries had promised to give by 2020. "Developed countries have to respect their obligations on finance towards developing countries," it said and pointed out that developed countries were using Article 2.1(c) of the PA "to transfer their responsibilities from the public sector to private sector and MDBs. They are shifting away their responsibilities by cherry picking articles of the PA to create a new narrative and erode the PA. This is clear injustice."

Referring to the GST, Bolivia said, "We cannot create a pathway of injustice to solve a climate crisis. In the GST there are two pathways we could choose as countries. The first pathway is the one that is created in the new narrative of keeping 1.5°C within reach, and putting similar targets for all countries to achieve net zero by 2050. This is against the PA. The PA says let's be carbon neutral by mid-century, and gives developing countries the space for development. But now countries like Bolivia and Uganda are being asked to achieve net zero in the same year as the US and Germany."

Expressing its frustration over the injustice of the situation, Bolivia said "the developed world did their peaking in 150 years. But they are pushing developing countries to achieve peaking in 20 years! This is completely against justice."

Speaking about the way forward after the GST, it said, "We have two pathways. Countries can choose pathways of carbon colonialism, which will create more dependency of the Global South on the Global North. It will create more indebtedness and climate injustice. Or we could take the pathway of climate justice which involves the protection of Mother Earth to defend the legitimate interest of developing countries to truly address this climate crisis."

Tuvalu, speaking on behalf of **AOSIS**, laid emphasis on the 1.5°C goal, saying, "Every COP 28 decision needs to be screened against the 1.5°C. We need to have a strengthened commitment to phasing out fossil fuels."

Sharing its views on mitigation ambition, it pointed to a "mitigation ambition package including peaking of emissions by 2025, rapid and deep reduction of emissions of 43% within this decade, also reduction of emissions by 60% by 2035. We also have to deal with the issue of phasing out fossil fuels and phase out fossil fuel subsidies."

In the context of the means of implementation, AOSIS called for "enhanced climate finance, doubling adaptation finance, with ready access for Small Island Developing States (SIDS) and Least Developed Countries (LDCs). We also call for a technology implementation programme and capacity development".

Bangladesh, **Samoa**, **Micronesia**, **Costa Rica** and **Marshall Islands** shared similar views.

China shared an analogy: "We are doing a marathon together, not a 100-metre sprint. The crisis tells us we must act. This is not a sprint. Tackling climate crisis and lowering carbon emissions is not like a sprint. There are two batches of runners. The first batch are the forerunners, the developed countries. They should have a greater, faster speed to increase the score to reach the goal of the PA. The only way we can achieve the speeding up of reaching the goal of the PA is if they run faster. We all understand very well the principle of CBDR, which means we have different starting points. Those forerunners should help those who are behind, the latecomers."

China said further that "We are a big family and should help each other. Developed countries should help developing countries to implement with climate finance that is in the common interest of all."

It added that, "to achieve a great success for everybody, we must respect the autonomous nature of NDCs, something which is clearly stipulated in the PA. We should support the Presidency to act within the mandate, to step up ambition under the principle of CBDR, and support developing countries to mitigate climate change. Finance, technology, and capacity-building should be commensurate with climate actions."

China also stressed that for any global efforts, we have to be against unilateral measures (in an apparent reference to carbon border measures introduced by the European Union).

Brazil pointed out the need to address the financing gap before raising the issue of the implementation gap. It said, "It is very difficult to do something without the necessary means. Let's talk about the means first. And it is on the basis of those means we will take up our ambition for climate justice. We know everyone has to be called in, developed and developing countries. Science, ethics, and politics are asking us to step up to the mandate. We have managed to reduce emissions by saving forests. We cannot act alone. We need everyone to act. The means of implementation have to be aligned with our decisions and ambition."

Speaking about its expectations from the GST, **Cuba** said, "As far as developing countries are concerned, the package under the GST needs to reflect balance between the different pillars. The text continues to show imbalance in treatment of adaptation. On mitigation, fundamental principles are being undermined, in particular, the obligations of developed countries on the need for them to take leadership role."

It added, "A part of the package has to recognise the gap in adaptation finance. Developed countries have to double adaptation finance. We have to accept the fact that there are different pathways for just transition on the basis of different capacities of different countries."

Highlighting the importance of keeping needs and priorities of developing countries in mind, **Saudi Arabia** said, "We have to follow science without cherry picking and address low-emissions technology. We have to also take into account all efforts towards sustainable development, poverty eradication, just transition. Climate change is a global problem and needs a global response."

Iraq echoed similar views as shared by the various developing countries.

The **European Union** (**EU**) stressed on the need for raising mitigation ambition and said, "We need to peak emissions by 2025. We must reduce global emissions by 43% [based on 2019 levels] in this decade. We must achieve net zero by 2050 and reduce our greenhouse gas emissions. Our NDCs have to be in line with the 1.5-degree pathway, going beyond current NDCs. We have to focus on phasing out fossil fuels."

On the issue of providing climate finance to developing countries, it said, "Developing countries will need support for finance, technology and capacity building. We need the new collective quantified goal on climate finance (NCQG) to be much more accessible, and affordable. We also have to attract private investments. The role of Article 2.1(c) of the PA is to propose a dedicated space to make it work."

Detailing its efforts to raise finance for meeting adaptation needs of developing countries, the EU said it plans to double its contribution by 2025 from 2019 levels. It added, "Public sector is important. But MDBs are also important to this task."

Germany, **Norway** and **Switzerland** (speaking on behalf of the **Environmental Integrity Group**) echoed similar views as the EU.

The **United Kingdom** said, "We wish to see phase-out of fossil fuels. We can be flexible about language around that, for example, phasing out unabated fossil fuels." Speaking about the need to double adaptation finance, a pledge made at COP 26 in Glasgow, it said "we can find landing points so that we can ensure the single pasture on which all of us depend is safe for future generations".

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Mixed reactions to Dubai outcomes

Dubai, 15 December (Meena Raman and Hilary Kung) – While the main headline news coming out of the Dubai climate talks was the historic mention of "transitioning away from fossil fuels" in the final decision adopted on the first global stocktake (GST), the small island developing States criticised the outcome as not going far enough in ambition, with several others saying that it was not equitable as it did not call on developed countries to take the lead in doing so.

Many developing countries stressed the need for the means of implementation for the transition, while developed countries were in a celebratory mood.

Bolivia chastised the developed countries "who talked a lot about keeping the 1.5°C temperature limit alive and about this goal being the 'North Star'", but they "have plans to expand fossil fuels until 2050, and are going against the very science that they have been talking about", exposing their hypocrisy and "carbon colonialism".

The decision on the GST, adopted under the 5th session of the Conference of the Parties to the Paris Agreement (CMA 5) as part of a package of decisions hailed as the "UAE Consensus", was gavelled very quickly by COP 28 President **Dr. Sultan Ahmed Al Jaber** on 13 December morning to a jubilant crowd in the plenary.

An elated Al Jaber spoke immediately after the gavelling of the decision, saying that all Parties "worked very hard to secure a better future for people and our planet", which was "our historic achievement, which we should be proud of". He said that the decision was a "comprehensive response" with all other decisions adopted together, and that "we have confronted the reality and set the world in a right direction to keep the 1.5°C [limit] within reach, led by science". The COP 28 President also said that an agreement is only as good as its implementation, and called on Parties to take the necessary steps.

The most focused outcome of the GST decision was in paragraphs 28 and 29, which read:

"28. …recognizes the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5°C pathways and calls on Parties to contribute to the following global efforts, in a nationally determined manner, taking into account the Paris Agreement and their different national circumstances, pathways and approaches:

(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;

(c) Accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;

(d) Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science;

(e) Accelerating zero- and low-emission technologies, including, inter alia, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production;

(f) Accelerating and substantially reducing non-carbon-dioxide emissions globally, including in particular methane emissions by 2030;

(g) Accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero- and low-emission vehicles;

(h) Phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible;

29. Recognizes that transitional fuels can play a role in facilitating the energy transition while ensuring energy security;"

Following the comments by Al Jaber, **Samoa**, speaking for the **Alliance of Small Island States (AOSIS)**, said that it was "confused about what happened and it seems that you have gavelled the decision when the small island developing States were not in the room".

It said that "AOSIS had one objective to ensure 1.5°C is safeguarded in a meaningful way" and that "the decision contains many good elements". However, it added that "the course correction needed has not been secured" and that "we have made incremental advancement over business as usual" but "what is needed is an exponential step change".

It said that there is no commitment to peak emissions by 2025, and that the science cannot be ignored in this regard. In relation to paragraph 28 of the text, it said "the exclusive focus on energy systems is disappointing" and that sub-paragraphs (e) (on zero- and low-emission technologies) and (h) (on phasing out inefficient fossil fuel subsidies) "potentially take us backward rather than forward" and "we are being asked to endorse technologies that could result in actions that undermine our efforts". It called for guardrails on this language (which could not be included as the decision had been gavelled).

Bolivia, in a hard-hitting response to developed countries, said that in the eight years since the adoption of the Paris Agreement (PA), "developed countries have worked intensively to erode and erase the principles of equity and common but differentiated responsibilities (CBDR) and shift their responsibilities to developing countries", and expressed "great regret and enormous" concern that these principles are being "deteriorated and diminished even more".

While there was a lot of talk (by developed countries) about keeping 1.5°C alive and about it being the "North Star", they "have plans to expand fossil fuels until 2050, and are going against the very science that they have been talking about", Bolivia said, adding that "the North Star is increasingly out of reach". It said that keeping 1.5°C alive is important, but asked, "How is this possible without differentiation and in a world without binding commitments to work for equity and for the defence of Mother Earth?"

Bolivia also said that "developed countries talk about there being no financing for climate change but they put enormous amounts of money into funding an enormous industrial machinery and war on the planet. Developed countries talk about human rights while they provoke the genocide of our sisters and brothers in Palestine". It said further that "having targets for all by 2050 goes against the PA and reinforces the path of carbon colonialism in the world" and that "we will need developed countries to take the lead and provide developing countries with the means of implementation if they really do not want to continue lying to the world".

Bolivia also expressed its reservation in respect of the GST decision and on paragraph 28 (on the global mitigation targets), and said that all its contributions to the fulfilment of global efforts to combat the climate crisis depend on the provision of financing.

Cuba, in reference to the "goal of the North Star" (1.5°C), said that there is "a whole constellation of purposes and goals" which have to be balanced, including the goal of eradicating poverty and achieving sustainable development and to do so with equity. The dilemma for developing countries is in contributing to climate actions and also in meeting the sustainable development goals, added Cuba. The main stumbling block is the lack of (adequate) emission reductions by developed countries and their failure to comply until today with the commitment to help developing countries. Among this must be included the unjust financial architecture where developing countries are facing more international debt, Cuba said further, and also drew attention to the growing imposition of unilateral measures which are political in nature and are challenging for developing countries to undertake targets and goals that have nothing to do with their national circumstances.

Saudi Arabia, for the **Arab Group**, stressed that the outcome allows the limiting of temperature rise according to national circumstances, and in the context of sustainable development, and abiding by the principle of CBDR. It called for the reduction of emissions regardless of the source, and for technologies to support that, including carbon capture and storage.

Colombia said that this century sees a contest between fossil capital and life. The commitment to transition away from fossil fuel is important, it said, adding however that there are loopholes in the decision which also have risks. It said that the transition fuels (such as natural gas) will end up colonising the space of the decarbonisation. It stressed that we do not have the financial structure for this deep energy transition, adding that the finance and technology are needed right now without relying on transition fuels linked to fossil fuels. It also expressed support for the Palestinian people.

Brazil said that the next task ahead is on securing the means of implementation necessary for developing countries and to ensure that just transition is maintained and for developed countries to take the lead to end fossil fuels.

Venezuela said that paragraph 28 leaves room for interpretation and also expressed for the record that "Nothing in the paragraph diminishes the obligations established under the Convention and the PA and that developed countries should take the lead". It added that it did not want to see this paragraph being used to impose conditionalities, especially with respect to the provision of finance, technology transfer and capacity building, or lead to the use of unilateral trade measures.

China recalled that 11 December marked the eighth year since the adoption of the PA and the principles of equity and CBDR are the cornerstone of the climate process. It said the GST decision sends a strong positive signal and is an important landmark which is both ambitious and pragmatic, and that the key to delivering on the commitment is the means of implementation to match the ambition. China stressed that developed countries have an unshakable historical responsibility for climate change and must take the lead and substantially reduce emissions and realise net zero as soon as possible, support the energy transition without delay and enhance the means of implementation to ensure the global just transition and provide developing countries the space to realise their sustainable development. It also called on developed countries to resist the use of unilateral measures that undermine the global climate process.

Egypt also said that the decision adopted needs to be followed up by a genuine commitment to implement and move forward, and that the notion of justice and equity recognises the right of developing countries to sustainable development and poverty eradication.

Antigua and Barbuda said that reliance on transition gas is a dangerous loophole and this is a fossil fuel that needs to be transitioned away from. It raised alarm that this will take away investments from renewable energy, leaving poor developing countries with high energy costs and stranded assets. In this regard, it remarked that it is easier to get $100 million for liquid natural gas than $20 million for solar investments, even when solar is cheaper and less polluting. It stressed the need to address the ease of financing for fossil fuels compared with renewable energy, adaptation or loss and damage, and said this inequity needs to be addressed.

Honduras urged developed countries to meet their financial obligation, as it could not take on more debt that hampers its sustainable development and poverty eradication.

Speaking for the **Coalition of Rainforest Nations**, it referred to negotiations under Article 6 of the PA in relation to the carbon markets and denounced those Parties "who are working to undermine its transparency, integrity and structure, which is opening the door to climate fraud, as seen in relation to the voluntary carbon markets". It added that the carbon market can play a role but only if it has a transparent regulatory structure.

The **Philippines** noted with concern that the GST did not result in a stronger outcome on matters relating to equity and CBDR. It said that "we heard clearly many calls about what should be the North Star of this process", but for many, the North Star is "far from us". Referring to the constellation "Orion, the Hunter, that can be seen all over", it said that "collectively, we need to be hunters together searching for climate justice, based on equity and science as we strive to achieve sustainable development and eradicate poverty".

Qatar supported the need for urgent action, but expressed deep concern with paragraph 28 of the GST decision and said that we must not lose sight of the PA and the principle of CBDR. It said the decision defines a timeline instead of allowing Parties to define their own timelines, and lacks mention of the role of developed countries. It also expressed its reservation on paragraph 28, as there is an absence of equity and CBDR, adding that that the goals and timelines cannot be imposed without equity and the PA principles being taken into account.

The **United States (US)** underscored the difficult challenges for 200 Parties to find consensus in a world of the Ukraine war and others, saying that "multilateralism made this come together". It said that while nobody will see their view completely reflected in the consensus document, the decision sends strong messages to the world. The 1.5°C limit is kept within reach and the next nationally determined contributions (NDCs) will have to be aligned with the limit, said the US further. It added that it wanted "clear language on the peaking of emissions, but we know this is the compromise". On finance, it said there is a need to transform the international financial system and that the GST outcome needs to continue to drive investment and shift finance.

The **European Union (EU)** welcomed the GST outcome and said that it is time to do much more in keeping in line with 1.5°C. It regretted that there was no mention of the peaking of emissions, although there was reference on the need to reduce emissions by 43% by 2030 and 60% by 2035 relative to the 2019 level, and reaching net zero carbon dioxide emissions by 2050. (The EU had the previous day threatened to walk out of the talks if there was no strong decision on the phasing out of fossil fuels.)

Australia, speaking for the **Umbrella Group**, praised the COP 28 President for delivering "a strong result" with "important milestones to combat the climate crisis". It said that all nations in the world have acknowledged that the future is in clean energy and that fossil fuels will end, adding that "future NDCs need to align with 1.5°C, which was the guiding North Star". It welcomed further dialogues in respect of Article 2.1(c) of the PA and said that for the new collective quantified goal on finance (to be determined next year), the "widest range of sources" is needed to provide and mobilise finance to "deliver system transformation because the world has changed a lot since 30 years ago" and the capacity and circumstances of countries have evolved since 1992 (referring to when the UNFCCC was conceived). It concluded that this was "undeniably a historical COP".

Switzerland, for the **Environmental Integrity Group**, said that this was the first time humanity came together to respond to science and that "the future is not fossil fuels", adding that there can be no equity in a world above 1.5°C. It also said that "the energy package is a start but is not enough", and that there is a need for a commitment to follow up to determine our accountability.

Germany said that with this COP, "we can save the future". In response to AOSIS, it said this decision may not be enough but is the "starting point", and that Parties are "walking on a path of climate justice".

The **United Kingdom** said the "outcome was not perfect" but reflected a commitment on the "beginning of the end of the fossil fuel era". It was disappointed that there was no mention of not having "new coal generation", but said the unified message is to move away from fossil fuels and "this outcome is something we can genuinely celebrate".

The CMA and the COP also adopted other decisions on the mitigation work programme, the global goal on adaptation, the just transition pathways work programme and several decisions on finance.

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Hard fight on unilateral trade measures to combat climate change

Kuala Lumpur, 18 December (Hilary Kung) – Decisions on the "just transition pathways" (JTP) work programme and "the forum on the impacts of the implementation of response measures" (the forum) were adopted during the closing plenary of the Dubai climate talks, which ended on 13 December, a day later than the scheduled closure.

These decisions were gavelled away from the limelight in the afternoon of 13 December, after the big focus on the global stocktake (GST) outcome and its inclusion of language on "transitioning away from fossil fuels".

A major issue that developing countries tried very hard to include under the JTP and the forum was the need to address "trade-related unilateral measures to combat climate change with cross-border impacts", which was firmly opposed by developed countries. Developing countries wanted the issue of carbon taxes, such as the European Union's carbon border adjustment measures, to be addressed at the talks.

It was with this in mind that the **BASIC** group (comprised of **Brazil**, **South Africa**, **India** and **China**), at the opening of the climate talks on 30 November, had called for the inclusion of a new agenda item on "Concerns with unilateral trade measures related to climate change and their potential adverse impact on equitable and just transitions, in the context of sustainable development and efforts to eradicate poverty". At the opening plenary, the COP 28 President, Dr. Sultan Al Jaber, had proposed that this matter be dealt with under the relevant agenda items, including under the GST.

While the issue of "unilateral trade measures" was not addressed in the decisions on the JTP or the forum, it was addressed in the decision on the GST, under the "International cooperation" section, in paragraph 154 which 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 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."

This decision does not expressly mention Article 3.5 of the UNFCCC, which is what developing countries wanted. (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.") Although the GST decision does not expressly refer to Article 3.5, the words in paragraph 154 implicitly appear to follow the said article.

The JTP work programme was announced by the COP 28 President as part of the "UAE Consensus" package together with the decisions on the loss and damage fund and funding arrangements, the GST, the mitigation work programme, the global goal on adaptation, and the youth climate champion.

Just transition pathways work programme

Among the most contentious issues during the JTP negotiations, prior to the gavelling of the adopted decision, were the "preamble" and "scope" of the JTP.

On the preamble, **Brazil**, speaking for itself, **Argentina** and **Uruguay** (**ABU**), and supported by **China** and **India**, called for reference to Article 3.5 of the UNFCCC in relation to the issue of "trade-related unilateral measures to combat climate change with cross-border impacts", which was opposed by developed countries.

The contentious reference to Article 3.5 in the preamble remained bracketed until before the closed-door consultations with groups by the Presidency on 12 December, which continued into the early morning of 13 December. The final decision adopted saw the removal of the following words which had been in the earlier version of the text (of 9 December) – "Recalling Article 3, paragraph 5, of the Convention" – due to the opposition of developed countries.

The preamble of the adopted decision recalls Article 2.1 of the PA, "which provides that the Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change; increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emission development, in a manner that does not threaten food production; and making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".

The preamble also recalls Article 2.2 of the PA which reflects the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), and includes the phrase "underscoring the importance of urgent delivery of means of implementation (capacity building, climate finance, and technology development and transfer) to … support for just transition pathways, especially for developing country Parties".

The preamble also acknowledges the obligations of Parties on "human rights" with a new addition on "the right to a clean, healthy and sustainable environment".

On the scope of the work programme, developing countries wanted it to be broad and cover all three pillars of sustainable development (social, economic and environmental) in the context of equity and CBDR-RC, while developed countries preferred it to be narrower and focus on the JTP for the workforce, primarily in relation to the energy transition, and also enhance ambitious domestic climate actions. (See TWN Update 16 and Update 1 for background.)

On the objective of the work programme, the decision adopted confirms "that the objective of the work programme on just transition shall be the discussion of pathways to achieving the goals of the PA outlined in Article 2.1, in the context of Article 2.2".

According to the decision in paragraph 2, it was decided "that the work programme shall include the following elements:

- Just transition pathways to achieving the goals of the PA outlined in Article 2.1, in the context of Article 2.2;
- Just and equitable transition, which encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition;
- Opportunities, challenges and barriers relating to sustainable development and poverty eradication as part of transitions globally to low emissions and climate resilience, taking into account nationally defined development priorities;
- Approaches to enhancing adaptation and climate resilience at the national and international level;
- Just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities, including through social dialogue, social protection and the recognition of labour rights;
- Inclusive and participatory approaches to just transitions that leave no one behind;
- International cooperation as an enabler of just transition pathways towards achieving the goals of the PA."

The final text above has more balance, with the coverage of national and international dimensions in its scope, in relation especially to adaptation and international cooperation. The "recognition of labour rights" is also included in the scope of the work programme.

The decision also states that the implementation of the JTP work programme will start next year under the UNFCCC's Subsidiary Body for Scientific and Technological Advice (SBSTA) and Subsidiary Body for Implementation (SBI), with a view to the work programme informing the second GST (in 2028).

As for the timeframe of the work programme, Parties agreed to review the effectiveness and efficiency of the work programme and consider its continuation at the 8th session of the Conference of the Parties to the CMA (CMA 8) in 2026, as a compromise. Developed countries did not want the work programme to continue beyond another three years, while developing countries wanted a longer timeframe.

The work programme will convene a joint contact group at each of the sessions of the Subsidiary Bodies (SBs), with an annual decision at each CMA, up to CMA 8 in 2026. This was initially proposed by the **G77 and China** in a September 2023 submission and had been the key ask for developing countries since the start of the negotiations in Dubai.

There will also be at least two dialogues held each year, with the first one before the 60th SBs session in June 2024 and another one before the 61st SBs session in November 2024, in a hybrid format.

The decision text also includes a call for Parties, observers and other non-Party stakeholders to submit views on the work programme, including the possible topics for the dialogues, by 15 February each year beginning in 2024. The Chairs of the SBs, after taking into consideration the submissions, should decide on the topic for the dialogue. Parties, observers and other non-Party stakeholders are also invited to submit views on opportunities, best practices, actionable solutions, challenges and barriers relevant to the topics of the dialogues no later than four weeks before each dialogue.

In terms of the output, there will be an annual summary report on the dialogues to be prepared by the Chairs of the SBs, while the secretariat will prepare a report summarising information on the activities under the work programme to inform the second global stocktake.

On the linkages to other workstreams, the decision text notes that the work programme may take into consideration the outcomes of the annual high-level ministerial roundtable on just transition, outcomes of the relevant work under the other UNFCCC workstreams and also ongoing work on pathways to just transition outside of the UNFCCC.

There is no explicit mention of the linkage between the JTP work programme and the response measures forum in the final decision text. (Please see TWN Update on the outcome from the June intersession where developed countries called for having the UNFCCC's Katowice Committee of Experts (KCI) serve as the expert body during the initial phase of the informal consultations and this was opposed by the developing countries, led by the G77 and China, on the grounds that the KCI has a distinct mandate and limited scope.)

Response measures

The adopted decision on the response measures forum covers the review of the functions, work programme and modalities of the forum, midterm review of the workplan and report of the forum.

The final decision text saw the deletion of the contentious reference to Article 3.5 of the Convention in the preamble and also does not have any explicit language on "trade-related climate measures with cross-border impacts" or "unilateral trade measures related to climate change".

The negotiations in Dubai on this issue had been tough, with continued opposition by developed countries to any attempts from developing countries to discuss the potential adverse impacts of trade-related climate measures with cross-border impact (which has been a contentious subject since the beginning of the KCI's workplan in 2020). (See TWN Update 16 and previous TWN Update 13 from Bonn.)

A shorter list of the work programme with only four areas of work remained in the final outcome:

"(a) Economic diversification and transformation;
(b) Just transition of the workforce and the creation of decent work and quality jobs;
(c) Assessing and analysing the impacts of the implementation of response measures; and
(d) Facilitating and building capacity on the identification, development, customization and use of tools and methodologies to assess the impacts of the implementation of response measures."

The **G77 and China** had wanted the inclusion of work related to unilateral carbon border taxes, such as the European Union's carbon border adjustment mechanism (CBAM), and called for "the assessment and analysis of the impacts of implementation of climate change related unilateral measures with cross-border impacts, and to explore ways to minimise the negative impacts to Parties, especially developing countries". This was strongly opposed by the **United States (US)** and the **European Union (EU)** and was eventually dropped from the final text.

Another major bone of contention now removed from the final text was on "environmental, social, and economic co-benefits and adverse impacts of climate change policies and actions", proposed by developing countries. The **US** was strongly against the addition of the words "adverse impacts" during the informal consultations, saying that it "does not add any value for us". The US said it could only support the text if it did not have the "adverse impacts" wording and instead focused on the "co-benefits" and the "positive impacts" of climate change policies and actions.

Another new activity introduced by **China**, to "enhance capacity and understanding of Parties, on the assessment and analysis of the impacts of implementation of climate-related unilateral measures … and cross-border impacts, to address the negative impacts to Parties especially developing countries", which had been bracketed in the previous draft text, also never made its way into the final text.

South Africa noted during the informal consultations that the COP 28 Presidency said it would tackle the problem of "unilateral measures" in Dubai, but expressed dismay that it was not able to discuss it under the response measures agenda item.

The final text on activities arising from the outcomes of the midterm review of the workplan lists a total of five activities, including a new addition on "Facilitate, exchange and share experience and best practices in the assessment of the environmental, social and economic co-benefits of climate change policies and actions informed by the best available science, including the use of existing tools and methodologies, to be implemented at SB 62 by the KCI through concrete examples and input from experts, practitioners and relevant organizations, and by the forum through exchange and sharing of experience, best practices and key findings."

The **EU**'s proposal to "Build awareness about the positive and negative impacts associated with subsidising electric vehicle (EV) industry to be implemented at SB 60…" was changed to "Build awareness about the positive and negative impacts associated with low and zero emission transport technologies, to be implemented at SB 60 (June 2024)…". This was based on the interventions from several Parties including **Saudi Arabia**, **Kenya**, **Ghana** on behalf of the African Group, and the **US** that the focus on subsidising EVs was too narrow.

The modalities listed in the final decision text were also reduced and some of the key deletions included "(e) developing tools and methodologies", "(i) developing a toolbox to identify, analyse and assess the positive and negative impacts of response measures and make this UNFCCC toolbox available to all Parties."

Parties agreed to the following:

"(a) Building awareness and enhancing information-sharing through the exchange and sharing of experience and best practices;

(b) Preparing technical papers, national, regional, and sector specific case studies, concrete examples and guidelines;

(c) Receiving input from and facilitating collaboration with experts, practitioners and relevant organizations;

(d) Organizing workshops."

The final decision also saw a new inclusion for 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.

Meanwhile, the "Response measures" section in the GST decision "recognizes the importance of maximizing the positive and minimizing the negative economic and social impacts of the implementation of response measures", and also "notes further efforts are needed to strengthen the work of the forum and its KCI".

It also contains text such as "Encourages Parties to consider developing … methodologies and tools including modelling tools for assessing and analysing the impacts of the implementation of response measures". It also "encourages Parties to develop more national case studies" and "to establish capacity-building partnerships and networks".

It also "encourages Parties, in their efforts to diversify their economies, to pursue relevant policies in a manner that promotes sustainable development and the eradication of poverty", and "encourages Parties to provide detailed information … on the assessment of the economic and social impacts of the implementation of response measures".

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Mitigation work programme to continue with global dialogues

New Delhi, 19 December (Radhika Chatterjee) – Parties adopted a decision for advancing the work of the "Sharm el-Sheikh mitigation ambition and implementation work programme" (MWP) on the concluding day of COP 28, 13 December. The decision was adopted by the 5th meeting of the Parties to the Paris Agreement (CMA 5) and requests the Co-Chairs of the MWP to guide the UNFCCC secretariat in organising future global dialogues and investment-focused events to enable "effective engagement of participants".

The manner in which the decision would include a reference to the findings of the annual report that contains "a compilation of the two individual reports on the global dialogues held in 2023" under the MWP, was one of the main bones of contention amongst Parties.

Also in contention was the push by developed countries as well as the **Alliance of Small Island States (AOSIS)** to include "high-level messages" that would be aimed at raising mitigation ambition and acknowledge the urgency of keeping the goal of 1.5°C alive, and for the MWP to be the "follow-up" mechanism for the global stocktake (GST) in relation to the mitigation element.

This was strongly resisted by major developing country groupings such as the **Like-Minded Developing Countries (LMDC)**, the **African Group** and the **Arab Group** who insisted that the objective of the MWP was to facilitate dialogues and exchange views to provide an opportunity to Parties to share experiences and learn from each other and that the focus should rather be on improving those dialogues to ensure Parties are able to make the most out of the global dialogues conducted under the work programme.

After much wrangling among Parties, the "high-level messages" were not included in the final MWP decision text, and neither is the MWP made a follow-up mechanism of the GST.

According to sources, the differences were bridged by Parties agreeing to the inclusion of some of the "high-level messages" in the mitigation section of the GST outcome, which included the following:

"(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;

(c) Accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;

(d) Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science;

(e) Accelerating zero- and low-emission technologies, including, inter alia, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production;

(f) Accelerating and substantially reducing non-carbon-dioxide emissions globally, including in particular methane emissions by 2030;

(g) Accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero- and low-emission vehicles;

(h) Phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible."

The MWP decision adopted only "notes the key findings, opportunities, barriers and actionable solutions summarized in the annual report on the work programme, recognizing that it does not represent an exhaustive summary of all views including, inter alia, in relation to renewable energy, grid and energy storage, carbon dioxide capture and use and carbon dioxide capture and storage, energy efficiency, deploying and shifting to collective and non-motorized modes of transport, energy and resource efficiency in the transport sector, electrification of vehicles and shifting to low- or zero-carbon fuels, as well as the information in the annual report on associated policies and measures, financing issues, technology and capacity, and sustainable development and socioeconomic impacts" (paragraph 6 of the decision).

There had been intense negotiations in the first week of COP 28 on these matters (see TWN Update 12) in informal consultations presided over by co-facilitators **Kay Harrison** (**New Zealand**) and **Carlos Fuller** (**Belize**).

During the informal consultations, major developing countries had expressed concerns as they did not want to see "cherry picking" of findings from the annual report of the MWP in the decision text.

Saudi Arabia, speaking for the **Arab Group**, said "the challenge … is capturing the views in a nuanced and comprehensive manner given the richness and depth of the discussions that took place … it is not acceptable to cherry pick and highlight certain solutions or messages from the annual report/dialogues in the decision as some have suggested. The dialogues have shown the diversity of solutions and various pathways/ approaches to chart out and choose from. There will not be one solution that applies uniformly across all countries."

China, speaking for the **LMDC**, said "we do not support capturing any views from the annual report in this decision, especially the unbalanced conclusions with policy-prescriptive judgement, bearing in mind the report is not produced in a Party-driven manner". It also said that in the future it would like to be given an opportunity to discuss the annual report before it is released so that if its findings are incorporated in any decision text, at least Parties will have had a chance to share their views on it.

Developed countries like **Australia**, the **European Union** (**EU**), the **Environmental Integrity Group** (**EIG**), **Japan** and **Norway** had insisted on urgently scaling up mitigation ambition through the inclusion of high-level messages aimed at enhancing mitigation activities. They also called for linking the mitigation aspects of the GST to the MWP, and for the MWP to provide for a "follow-up" on the GST.

Japan sought to justify the linking of the MWP and the GST by saying that the mandate of the MWP provided that the MWP would be established "in a manner that complements the global stocktake". **Norway** said that the MWP should become an "implementing vehicle" of the GST. **Australia** and **Japan** argued for the inclusion of "high-level messages" that were being negotiated in the GST discussions in the MWP text to reflect mitigation ambition, to send "strong messages" and "signals" to the world on achieving the energy transition.

The **EU** and **Canada** called for a message on the need for formulating more ambitious nationally determined contributions (NDCs) by Parties. Some developing countries like **AOSIS**, the **Independent Alliance of Latin America and the Caribbean (AILAC)** and the **Least Developed Countries (LDCs)** also echoed those calls for raising ambition.

The **LMDC**, the **African Group**, **Argentina, Brazil and Uruguay** (**ABU**) and the **Arab Group**, on the other hand, emphasised the importance of respecting the mandate of the MWP as laid out in the decision from Sharm-el-Sheikh and avoiding duplication of work that was already being carried out under the GST.

India said that its primary concern on the MWP "is that it should not serve as a burden-shifting mechanism from developed countries to 'everyone's responsibility', including developing countries and non-state actors, private sector financiers". It added that the MWP "must not be a vehicle for developed countries to impose further obligations on developing countries which will undermine the nationally determined character of our NDCs. The purpose of MWP is not to pressurise developing countries to increase their ambition, with developed countries not following suit, and neither providing support to developing countries". On the question of including ambitious language for NDCs, India said the "MWP cannot become a way to impose sector specific mitigation efforts, beyond what is a part of its NDCs. This is more-so important to preserve the nationally determined nature of the commitments".

The **Arab Group** and the **LMDC** pointed out that the MWP mandate provided for the establishment of a platform for exchanging views and learning from each other's experiences, and that the focus of the discussions at COP 28 should be on improving these dialogues, and not renegotiating the mandate as decided last year at CMA 4.

Another major point of contention amongst Parties had been the question of whether or not “regional dialogues” should be held under the MWP in 2023-24. In the final decision adopted, the text mentions the following in paragraph 11: “Recalls paragraph 9 of decision 4/CMA.4, in which it was decided that other in-person or hybrid dialogues may be held each year in conjunction with existing events, such as the regional climate weeks, at the discretion of the co-chairs of the work programme with a view to ensuring inclusive and balanced geographical representation at the dialogues”.

The demand for holding regional dialogues had been raised by some developing countries like **AOSIS** and developed countries. **Belize**, speaking for **AOSIS**, said, “We reiterate the importance of having regional dialogues, mini dialogues, located in different regions focused on needs that are related to that region, so that the issues related to particular regions can be called for dialogues.” It was supported in this call for regional dialogues by **Australia**, **Canada** and the **United States** (**US**).

Other developing countries however opposed the idea of holding regional dialogues as they wanted the dialogues held under the MWP to be inclusive of all geographies and not be restricted to specific areas.

Saudi Arabia, speaking for the **Arab Group**, said “the decision makes it clear that the MWP must ensure inclusive and balanced geographical representation at the dialogues, hence why they are global in nature, and not restricted to certain regions. Which is the whole purpose behind a global dialogue. If Parties wish to host mitigation discussions in conjunction with regional climate weeks, they are welcome to do so; however, it will fall outside the scope of the MWP and will not be captured in any MWP summary report.”

Zimbabwe, speaking for the **African Group**, said “it will be best to ensure that dialogues must be held in global context, though it must include regional elements”. **India** too emphasised retaining the global nature of the dialogues.

According to the MWP decision, the work of the MWP will be presided over in 2023-24 by the same Co-Chairs as in the previous year, **Amr Osama Abdel-Aziz (Egypt)** and **Lola Vallejo (France)**.

In line with the mandate provided by the decision agreed to last year in Sharm el-Sheikh (Decision 4/CMA.4, paragraphs 1-3), it also requested the UNFCCC’s Subsidiary Bodies to “consider progress, including key findings, opportunities and barriers, in implementing the work programme … at each of their sessions, starting … June 2024 until November 2026”.

The operative part of the decision regarding the actions that the Co-Chairs have to take for facilitating engagement of participants in the MWP is detailed in paragraph 10:

“… (a) Announcing the topic, date and venue and sharing the agenda well in advance;

(b) Enhancing the participation of relevant experts and other non-Party stakeholders, particularly from developing countries, including by expanding virtual participation opportunities, while encouraging the high-level champions to support the effective participation of non-Party stakeholders;

(c) Enhancing the investment-focused events, with a view to unlocking finance, including through presentations by Parties to potential financiers, and by inviting to the events more multilateral development banks, financial institutions and representatives of relevant multilateral climate funds, including the Green Climate Fund;

(d) Taking into account, under the guidance of the co-chairs of the work programme, linkages of subtopics between the global dialogues and investment-focused events when organizing these dialogues and events”.

Parties, observers and other non-Party stakeholders can submit suggested topics for discussion in the global dialogues to be held in 2024 by 1 February 2024. Based on the submissions received, the Co-Chairs will decide on the topics for the dialogues and communicate that by 1 March 2024.

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Dubai decision "notes with deep regret" failure to meet $100b goal

New Delhi, 20 December (Indrajit Bose and Meena Raman) – The Dubai climate talks adopted a host of decisions on climate finance on 13 December following intense negotiations among developed and developing countries. Many of these decisions relate to "urging" or "encouraging" developed countries to meet their existing financial commitments, with little to show on actual delivery of climate finance.

The decision on long-term finance (LTF) "notes with deep regret that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020 … was not met in 2021", and it "welcomes the ongoing efforts of developed country Parties towards achieving the goal of mobilizing jointly USD 100 billion per year". This same paragraph is repeated in the decision adopted under the global stocktake (GST).

The decisions adopted apart from the LTF decision included those on: biennial communications of information related to Article 9.5 of the Paris Agreement (PA); matters relating to the Adaptation Fund (AF); new collective quantified goal on climate finance (NCQG); guidance to the Green Climate Fund (GCF) and Global Environment Facility (GEF); and matters related to the Standing Committee on Finance (SCF). The SCF matters covered Article 2.1(c) of the PA, adaptation finance, Article 4.5 of the PA, and climate finance definitions.

(Article 9.5 deals with developed countries communicating biennially ex ante information of their projected levels of public financial resources to be provided to developing countries; Article 2.1(c) deals with the goal of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development"; while Article 4.5 deals with the provision of support to developing countries for the implementation of their nationally determined contributions (NDCs).)

The decisions had been heavily contested, as several iterations of the draft texts were produced and continued to be bracketed, with no solution in sight until the very end of the COP on most of the issues. Ministerial consultations had to be convened on Article 2.1(c), adaptation finance and the NCQG. The decisions were eventually adopted under COP 28, the 18th session of the Kyoto Protocol Parties (CMP 18) and the 5th session of the Paris Agreement Parties (CMA 5).

The key political fights on finance centred around developed countries trying to remove references to "developed country Parties" in the context of those responsible for providing and mobilising finance for developing countries; emphasis by developed countries on moving away from a "bifurcated" approach of differentiation; and undue focus on the private sector and multilateral development banks (MDBs) to deliver climate finance.

Apart from the specific decisions on finance, the decision on the GST also has a section on the finance element, aspects of which are highlighted below. In particular, the GST decision in paragraph 67 states the following: "Highlights the growing gap between the needs of developing country Parties, … highlighting that such needs are currently estimated at USD 5.8-5.9 trillion for the pre-2030 period".

Paragraph 68 states: "Also highlights that the adaptation finance needs of developing countries are estimated at USD 215-387 billion annually up until 2030, and that about USD 4.3 trillion per year needs to be invested in clean energy up until 2030, increasing thereafter to USD 5 trillion per year up until 2050, to be able to reach net zero emissions by 2050".

Long-term climate finance

Contentious issues in the draft LTF text arose around capturing language on the failure of developed countries in the delivery of the commitment on $100 billion per year by 2020; and how and whether a report by the Organisation for Economic Cooperation and Development (OECD) (which states that the goal appears to have been reached in 2023) should be reflected in the decision (see TWN Update 5).

Developed countries wanted to reflect language welcoming the progress made in achieving the goal, but developing countries were of the view that it would not be wise to reflect a positive message and were not willing to accept any language indicating that the goal had been fulfilled. Developing countries also pointed to the lack of an agreed definition of climate finance, which created difficulties in accounting for whether the goal had been reached. They also wanted to reflect numbers from an Oxfam report which states that the amount fulfilled by developed countries was only around $21 billion. Developed countries did not want to reflect the Oxfam report, and following intense negotiations, references to both the OECD and Oxfam reports were dropped.

Parties agreed on the following paragraphs in the decision, apart from noting the failure to meet the $100 billion goal as stated above:

"Notes the efforts by developed country Parties to improve transparency of its delivery, and looks forward to further information on positive progress on the delivery made in 2022".

"Notes the different estimates, in the report by the SCF on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries…, of progress towards achieving the goal of mobilizing jointly USD 100 billion per year from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources, and recognizes the lack of a common definition and accounting methodology in this regard".

Other issues of contention included a call by developing countries to reflect in the decision how burden sharing was implemented among the developed countries in the context of the $100 billion goal. Developed countries, however, did not agree to such an approach. They also did not want to "welcome" any pledges made for the loss and damage fund in the decision because in their view, it had nothing to do with long-term climate finance. These were not included in the final decision which was adopted. Developing countries also stressed the need for the decision to capture the importance of grant-based public funding for developing countries; simplifying access to climate finance; and the need to improve transparency in finance delivered to developing countries.

Following are some of the other highlights of the LTF decision agreed in Dubai:

"Urges developed country Parties to fully deliver on the USD 100 billion per year goal urgently and through 2025, noting the significant role of public funds, and calls on developed country Parties to further enhance the coordination of their efforts to deliver the goal".

"Emphasizes the need for further efforts to enhance access to climate finance, including through harmonized, simplified and direct access procedures, to address the needs of developing country Parties, in particular for the least developed countries and small island developing States".

"Encourages developed country Parties to consider ways to enhance access to climate finance to respond to the needs and priorities of developing country Parties".

"Acknowledges the fiscal constraints and increasing costs to adapt to the adverse effects of climate change and, in this context, reiterates the need for public and grant-based resources for adaptation in developing country Parties, especially those that are particularly vulnerable and have significant capacity constraints, such as the least developed countries and small island developing States".

"Recognizes the need to improve the effectiveness and quality of climate finance provided and mobilized from developed country Parties to achieve tangible impacts in developing country Parties and to improve transparency in this regard".

"Also recognizes the importance of support provided and mobilized by developed country Parties to facilitate enhanced ambition and implementation".

Meanwhile, in the finance section of the decision on the GST, the following text was agreed to in paragraph 76: "Welcomes recent progress made by developed countries in the provision and mobilization of climate finance and notes the increase in climate finance from developed countries in 2021 to USD 89.6 billion and the likelihood of meeting the goal in 2022, and looks forward to further information on the positive progress".

Matters related to the SCF

The matters related to the SCF saw discussions on Article 2.1(c) of the PA, adaptation finance, Article 4.5 of the PA and climate finance definitions.

Article 2.1(c)

Developed countries had stressed the need for a dedicated Paris-aligned work programme on Article 2.1(c), which several developing countries were not in favour of as there is no common understanding on what the article means. As discussions unfolded, developed countries called for a space to discuss the report from the Sharm el-Sheikh dialogues to advance work on Article 2.1(c).

(In 2023, two Sharm el-Sheikh Dialogues (SeSD) were conducted to exchange views on and enhance understanding of the scope of Article 2.1(c) and its complementarity with Article 9 of the PA, and a report was produced. The report, among other things, highlighted that there is no common understanding among Parties on the meaning of Article 2.1(c). Developing countries had raised concerns in relation to how Article 2.1(c) could be used to impose top-down international approaches that undermine the bottom-up nature of the PA, and impinge on domestic policies. See TWN Update 8.)

Following discussions, Parties decided to "continue and strengthen the Sharm el-Sheikh dialogue … to exchange views on and enhance understanding of the scope of Article 2.1(c) … and its complementarity with Article 9 … including with regard to the operationalization and implementation of Article 2.1(c), in 2024 and 2025…".

Parties also decided the dialogue would be facilitated by two co-chairs, and requested the secretariat "to organize at least two workshops per year … and to prepare a report on each workshop". They also requested "the co-chairs of the dialogue to prepare a report on the deliberations under the Sharm el-Sheikh dialogue in 2024 and 2025" for consideration by CMA 6 and CMA 7.

Adaptation finance

Developing countries had expressed disappointment that the SCF was not able to agree on a baseline to determine the doubling of adaptation finance, owing to methodological limitations. They also expressed concerns that even if adaptation finance were doubled, there would be a wide gap between mitigation and adaptation finance (see TWN Update 9). (According to the SCF report, "three of the five sources of information reviewed … point to a baseline from 2019 of USD 19.4 billion on average across all included channels, thus indicating a doubling to USD 38.8 billion by 2025".)

Some developing countries had suggested having an adaptation finance work programme to discuss systemic issues impacting adaptation finance; agreeing on a baseline for doubling; and some had called for the "doubling of the doubling goal". They had also referred to the Adaptation Gap Report (AGR) 2023 by the United Nations Environment Programme (UNEP) and called for numbers from the report to be reflected in the decision on the issue of doubling adaptation finance.

(The AGR states that the adaptation finance gap now stands at between $194 billion and $366 billion per year, and that adaptation finance needs are 10-18 times as great as current international public adaptation finance flows. See the related TWN article).

However, with stiff opposition by developed countries to these proposals, these did not figure in the decision, which merely "notes the executive summary of the [SCF] report on the doubling of adaptation finance and the recommendations therein and encourages Parties to consider implementing those recommendations, as appropriate". The decision also "invites developed country Parties to continue to enhance transparency regarding their effort to double adaptation finance, including by, as appropriate, providing relevant information on a baseline for the doubling of adaptation finance".

As reflected above, the GST decision on finance does highlight that "the adaptation finance needs of developing countries are estimated at USD 215-387 billion annually up until 2030".

Paragraph 86 of the GST decision also recognises that "adaptation finance will have to be significantly scaled up beyond the doubling…, to support the urgent and evolving need to accelerate adaptation and build resilience in developing countries, considering the need for public and grant-based resources for adaptation and exploring the potential of other sources, and reiterates the importance of support for progress in implementing developing countries' national adaptation plans by 2030".

Paragraph 100 "urges developed country Parties to prepare a report on the doubling of the collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources … for consideration" by CMA 6 (in 2024).

Article 4.5

Developing countries stressed the importance of operationalising Article 4.5 of the PA for enhanced support for higher mitigation ambition in developing countries.

(The **Like-Minded Developing Countries (LMDC)** had proposed the matter as a standalone agenda item for CMA 5 but this was countered by developed countries, leading to the COP 28 Presidency proposing that the matter be discussed under "Matters related to the SCF".)

Explaining the rationale for the discussion, **Saudi Arabia**, for the **Arab Group**, had said the discussion on Article 4.5 was necessitated due to continued calls for enhancing mitigation ambition, and that enhancing mitigation ambition in developing countries depended on enhanced finance, technology and capacity-building support by developed countries. It said its key asks included having a chapter on Article 4.5 in the SCF's next biennial assessment and overview of climate finance flows (BA); reports by the SCF that touch on mitigation issues to include information on Article 4.5; and a biennial brief by the SCF in the context of reviewing the amount of finance provided from developed countries to developing countries and assessing gaps. Such information would inform developing countries and allow for higher ambition, it added.

India, for the **LMDC**, had said that Article 4.5 was a cross-cutting issue with a bearing on Articles 9, 10 and 11 of the PA (dealing with finance, technology transfer and capacity building respectively). The SCF should take a look at these intersections and examine why the finance flows were not commensurate with the needs of developing countries, said India further.

However, developed countries repeatedly objected to substantive discussions on Article 4.5, and following discussions, in the decision that was adopted, Parties requested the SCF "to consider Article 4.5 of the PA in implementing its relevant mandates and workplan".

Meanwhile, paragraph 73 of the GST decision "reiterates that support shall be provided to developing country Parties for the implementation of Article 4 of the PA, in accordance with Articles 9-11 …, recognizing that enhanced support for developing country Parties will allow for higher ambition in their actions".

Climate finance definition

A key contentious issue in Dubai was whether to update the operational definition of climate finance, with developing countries requesting an update, and developed countries not in favour of doing so.

Developed countries said that the existing operational definition was suitable and broad enough to include the various flows, while developing countries argued that it was too broad and did not provide enough information and therefore needed to be suitably updated. In the decision agreed, Parties decided to "consider updating" the operational definition.

Arguments by developing countries that a clear definition of climate finance would improve accountability, increase transparency and help track climate finance delivered to developing countries were met with a strict stance by developed countries that there could be no single multilaterally agreed definition of climate finance, and that it is a complex issue.

Following lengthy discussions, the decision adopted welcomed "that the sixth Biennial Assessment and Overview of Climate Finance Flows will contain a section compiling the operational definitions of climate finance in use" and requested the SCF "to consider updating, in the context of its sixth Biennial Assessment and Overview of Climate Finance Flows, its operational definition of climate finance…".

Other highlights of the decision adopted are as follows:

The decision "notes the technical report by the SCF on clustering types of climate finance definitions in use … and also notes the information therein on the clustering of elements aimed at assisting Parties in developing and applying definitions of climate finance and the discussions of the SCF regarding a potential update to the operational definition of climate finance of the Committee".

The decision "further notes the complexities, in relation to accounting of and reporting on climate finance at the aggregated level, associated with the application of the variety of definitions of climate finance in use by Parties and non-Party stakeholders".

The decision also requests the SCF "to prepare a report on common practices regarding climate finance definitions, reporting and accounting methods among Parties and climate finance providers … for consideration by COP 29".

Article 9.5 of the PA

Discussions on Article 9.5 of the PA, which speaks to developed countries providing indicative information biennially on projected levels of public financial resources to developing countries, focused on a key ask by developing countries for more granular and better information by developed countries.

Developing countries reiterated that such information is crucial for developing countries to plan their climate responses as outlined in their NDCs, national adaptation plans and in other documents submitted to the UNFCCC.

Developing countries sought clarity on information on how public grant-based resources for adaptation are taken into account; how projected levels of resources are aligned with the commitment to mobilise $100 billion a year; types of financial instruments used to mobilise and provide resources and how they align with the needs and priorities of developing countries; how existing multilateral channels will be used to mobilise and provide the resources; and the need for an appropriate climate finance definition and operational definition of climate finance to ensure transparency and trust in ex ante projection, among other things.

They also highlighted that the commitments made by developed countries were simply not being met and it was proving impossible to match up ex ante reports with ex post figures. They further suggested that developed countries must transition to multi-year budgetary processes and effectively streamline national approval processes to enable the full and effective scale-up of financial support from developed to developing countries on a grant equivalent and concessional basis to reflect the urgency of climate action in this critical decade.

Developed countries, however, said that due to the nature of their budget cycles, providing exact estimates on long-term public climate finance would be difficult. They were also not ready to engage in a discussion or to reflect in the draft decision that the limitations of their current budgetary cycles posed a barrier to delivering climate finance to developing countries.

Following discussions, the decision adopted "invites Parties, in accordance with Article 9.5 … to take into account the following areas in preparing their biennial communications to be submitted in 2024, as applicable:

(a) Information on the status of projected levels of climate finance stated in previous biennial communications;

(b) Information on the challenges and limitations of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements;

(c) Information demonstrating how ex ante information responds to the implementation needs of developing country Parties, as referenced in their nationally determined contributions, adaptation communications and other national plans;

(d) Information on efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation;

(e) Information demonstrating how each of their biennial communications has improved compared with the previous one, including how areas for improvement set out in relevant decisions of the COP and the CMA have been addressed;

(f) More detailed information on strategies for scaling up the provision of climate finance, including through public interventions".

Parties also decided to "consider updating the types of information … at [CMA 7 in 2025] … on the basis of the experience of and lessons learned by Parties in the preparation of their biennial communications of indicative quantitative and qualitative information".

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Negotiating text on new finance goal to be developed

New Delhi, 22 December (Radhika Chatterjee) – A decision was adopted in Dubai on 13 December "to enable the development of a draft negotiating text" on setting the new collective quantified goal (NCQG) on climate finance, which will be considered at the 6th session of the Parties to the Paris Agreement (CMA 6) to be held in November 2024 (in Baku, Azerbaijan).

This was a follow-up from the decision adopted in Egypt in 2022 that acknowledged "the need to significantly strengthen the ad hoc work programme on the NCQG in the light of the urgency of scaling up climate action with a view to achieving meaningful outcomes … and setting the NCQG in 2024 taking into account the needs and priorities of developing countries".

According to the Dubai decision, in 2024, the "ad hoc work programme" will "build on the technical work conducted and the submissions made" in 2023 and "allow for deliberations among Parties that are conducive to the development of a draft negotiating text". The co-chairs of the work programme have been requested to "include in their annual report, to be issued no later than four weeks prior to CMA 6, a substantive framework for a draft negotiating text capturing progress made".

In the informal consultations on the NCQG prior to the adoption of the decision, the main contestation was over the modality of work that would be adopted in 2024 for setting the goal.

Developing countries laid a strong emphasis on the need for moving into a "negotiation space", going beyond the existing approach of holding Technical Expert Dialogues (TEDs) on the NCQG. The thrust of their focus was on having a modality that would be "Party-driven" to work on a "negotiated decision text" that would be considered at CMA 6. Developed countries, on the other hand, while acknowledging the need for a negotiation space, insisted on continuing with the modality of the TEDs for preparing a draft text by strengthening the dialogues.

Multiple iterations of draft texts were shared by the co-facilitators of the informal consultations, **Gabriela Blatter (Switzerland)** and **Ambassador Amenatave (Amena) V. Yauvoli (Fiji)**. After much wrangling, agreement was reached to shift the mode of work to a negotiation space.

Developing countries, led by the **G77 and China**, reiterated the need for change in the modality of the NCQG work programme, which "should be Party-driven, based on a negotiated decision text, and based on submissions from Parties". The G77 position was echoed by all the sub-groups of developing countries including the **Like-Minded Developing Countries (LMDC)**, **African Group**, **Arab Group**, **Least Developed Countries (LDCs)**, **Alliance of Small Island States (AOSIS)**, **Argentina, Brazil and Uruguay (ABU)** and the **Independent Alliance of Latin America and the Caribbean (AILAC)**.

Saudi Arabia, for the **Arab Group**, proposed a "temporary technical committee" to change the modality of work and to advance the negotiations on the NCQG. In response, the **European Union (EU)** said "we need to give more structure to the TEDs" and that there was "no need for a new structure", adding that the "TEDs are very efficient and can deliver on this process".

Norway expressed similar sentiments and said the TEDs could be strengthened and "can also produce the negotiating text" and that "there is nothing hindering us legally from doing that and we can mandate the co-chairs to produce a text". The emphasis on retaining and strengthening the TEDs was echoed by **Australia**, **Canada**, **Switzerland**, **New Zealand** and the **United Kingdom (UK)**.

In respect of the TEDs, the Dubai decision provides that at least three TEDs be organised in

2024 "to allow for in-depth technical discussions on the elements of the NCQG with a view to informing the meetings under the ad hoc work programme … with one dialogue to take place in advance of the sixtieth sessions of the subsidiary bodies (June 2024), one in conjunction with those sessions and one well before CMA 6, and two of the dialogues to be organized in separate regions with a view to facilitating inclusive and balanced geographical participation".

In addition to the TEDs, it was also decided to conduct "at least three meetings under the ad hoc work programme in 2024, back-to-back with the TEDs … to enable Parties to engage in developing the substantive framework for a draft negotiating text".

To "ensure continuity of the process", the decision provides for the continuation in 2024 of the co-chairs of the ad hoc work programme, **Zaheer Fakir** (**South Africa**) and **Fiona Gilbert** (**Australia**).

All developing countries had said that they would like to see a continuation of the 2023 co-chairs in 2024, while among the developed countries, it was only the **United States (US)** which wanted a discussion on having new co-chairs for the process, but it then agreed with the final decision.

To prepare the "substantive framework for a draft negotiating text", the co-chairs of the ad hoc work programme have been requested to "allow for [its] iterative development" and take into "consideration the annual report of the co-chairs…, submissions made in 2022-2023, the submissions referred to in paragraph 14 below, work undertaken in the context of the TEDs…".

Paragraph 14 "invites Parties, constituted bodies under the Convention and the Paris Agreement, the operating entities of the Financial Mechanism, climate finance institutions, observers and other stakeholders, including from the private sector, to submit views in advance of each TED and meeting under the ad hoc work programme via the submission portal" in 2024. The secretariat has been requested to prepare a "compilation" and "synthesis" of these submissions "as input to the TED and meetings under the ad hoc work programme".

Concerns were initially raised during the informal consultations by **AOSIS** and the **Arab Group** about the legality of mandating the co-chairs of the ad hoc work programme in producing a draft negotiating text. **AOSIS** wanted "to tie any mandate that we give to co-chairs to the Party-driven process".

On the matter of political guidance to the ad hoc work programme, the decision adopted agreed to convene a "high-level ministerial dialogue" in 2024 well before CMA 6 "with a view to providing guidance for the deliberations on setting the NCQG at that session".

The Dubai decision also states that the deliberations on the NCQG will build "on the outcome of the first Global Stocktake (GST) and the framework for the Global Goal on Adaptation" (GGA).

(The outcome of the GST in this regard states as follows: "Also recognizes that the deliberations related to the scale and elements of the NCQG on climate finance could take into consideration the urgent need to, inter alia, support implementation of current nationally determined contributions [NDCs] and national adaptation plans, increase ambition and accelerate action, taking into account the evolving needs of developing country Parties, and the potential for mobilizing finance from a wide variety of sources, instruments and channels, recognizing the interlinkages between the different elements of the NCQG on climate finance".

The decision on the framework for the GGA states as follows: "Seeks to close the adaptation finance gap and encourages Parties to consider the outcomes of the global stocktake and the UAE Framework for Global Climate Resilience in their deliberations on the NCQG on climate finance in 2024". Parties had also agreed that "the purpose of the UAE Framework for Global Climate Resilience is to guide the achievement of the GGA and the review of overall progress in achieving it with a view to reducing the increasing adverse impacts, risks and vulnerabilities associated with climate change, as well as to enhance adaptation action and support".)

There was also considerable divergence amongst Parties on many of the substantive elements of the NCQG. As a result, most Parties said it would be better to focus on "getting the process right" for 2024, and the substantive elements could be discussed after that.

Some of the issues on which stark divergences were visible during the consultations were those of the timeframe, sources and structure of the NCQG. On the timeframe, most developing countries said they would prefer a shorter timeframe of five years starting from 2025 and a subsequent renewal in 2030 for another five years.

Saudi Arabia, for the **Arab Group**, said "the timeframe needs to be linked to actual implementation on ground: the GST, NDCs, reporting cycle of the Enhanced Transparency

Framework (ETF), linked to a short timeframe of five years, and then an extension of another five years".

Developed countries said they would like a long-term timeframe for the goal, with **Switzerland** expressing a preference for an aspirational goal of 2050 with a medium target for 2035.

The **EU**, sharing a preference for a longer timeframe, stated explicitly that the option for a five-year term with a renewal for another five years would "not be possible for us". This was echoed by **New Zealand**. **Norway** said it could work with a timeframe of 10 years or with the idea of an aspirational goal of 2050 with a medium-term target.

There was also disagreement over the year in which the NCQG would be launched – in 2025 or 2026, with developing countries emphasising that the goal should be launched in 2025 as per the mandate.

Brazil, speaking for the **G77 and China**, referred to a paragraph in an iteration of text shared by the co-chairs that referred to the launch of the NCQG in 2026 and said "this does not speak to the mandate of the process" and that "we need to stick to the mandate to establish the work programme for NCQG".

On the issue of sources, developing countries stressed that the NCQG has to be guided by Article 9 of the Paris Agreement (PA). **Brazil**, speaking for the **G77 and China**, said "our overall approach to this text and to the process of establishment of NCQG should be based on financial responsibilities under Article 9" and "financial resources have to be new, additional, predictable … focusing on a quantum that speaks to needs and priorities of developing countries; it will amount to trillions".

Regarding the inclusion of Article 2.1(c) of the PA in the NCQG discussions, **China** made a sharp intervention saying, "We hope the text sticks to the mandate of this agenda item. We saw a lot of divergence, and a lot of unnecessary inputs by developed countries. We are here because we understand the responsibility and obligation of developed countries, and the history of emissions. We will not support Article 2.1(c) in this. This text has to be about Article 9."

(Article 2.1(c) deals with the goal of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".)

Concerns regarding the inclusion of Article 2.1(c) in the NCQG discussions were echoed by the **Arab Group** and the **LMDC**.

Switzerland said the "overall structure of the goal has to be multilayered, with different layers fitting into different actors and sources, including Article 2.1(c)". The **UK** said it would like to see a broad range of finance to deliver on the needs. **Norway** said that the name of the goal and financial obligations were not directly related to the goal.

During the discussions on the structure of the goal, the **EU** made it clear that it would not support the inclusion of loss and damage in discussions on the NCQG, saying "we cannot accept any language on loss and damage next to adaptation and mitigation in the NCQG … there is no legal obligation to finance loss and damage; that is not part of the new goal".

On the matters that will be considered by the ad hoc work programme, the Dubai decision states that "the deliberations on the scale and elements of the NCQG will take into consideration the exigent need to support implementation of current NDCs and national adaptation plans and adaptation communications, including those submitted as adaptation components of NDCs, increase and accelerate ambition, and reflect the evolving needs of developing country Parties, and the need for enhanced provision and mobilization of climate finance from a wide variety of sources and instruments and channels, recognizing the interlinkages between the different elements of the NCQG, including in particular how the structure will impact the scale".

Parties have been invited to submit their "views on issues to be addressed as part of the 2024 workplan via the submission portal by 31 January 2024". The co-chairs have been requested to make available the 2024 workplan no later than March 2024.

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No consensus on Article 6 carbon market approaches

Kuala Lumpur, 26 December (Hilary Kung) – At the Dubai climate talks which ended on 13 December, as regards "cooperative approaches" under Article 6 of the Paris Agreement (PA), Parties managed to agree on a decision only on Article 6.8 on non-market approaches (NMAs), and failed to agree on decisions on market-based approaches under Articles 6.2 and Article 6.4, despite the desire by many for a package deal on all three sub-articles.

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

Article 6.2 allows Parties to engage "on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes (ITMOs) towards NDCs", which is generally known as carbon trading between countries. Article 6.4 establishes a "mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development", broadly regarded as the international carbon offset market. Article 6.8 is about NMAs, recognising the importance of "integrated, holistic and balanced NMAs being available to Parties to assist in the implementation of their NDCs".

During the closing plenary in Dubai on 13 December, the COP 28 President announced that the consideration of Articles 6.2 and 6.4 "could not be completed here at this session". Matters related to Article 6.2 and Article 6.4 will be taken up again at the upcoming 60th session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 60) (which is scheduled to meet in June 2024), with a view to recommending a draft decision for adoption at the 6th meeting of the Parties to the PA (CMA 6) in Azerbaijan next year.

However, Rule 16 of the draft UNFCCC Rules of Procedure was not mentioned. (Rule 16 states that where an item on the agenda of a session's consideration has not been completed at the session, it shall be included automatically in the agenda of the next session, and normally, Parties begin consideration of the item from scratch, without reference to any documents worked on from the previous session.) As heard in the contact group consultations on 12 December, this may be due to the fact that Parties wished to transmit the draft texts from Dubai to the next session as a basis for further discussions. This remains to be seen at the upcoming Bonn intersession in June 2024.

Further, since there was no consensus, the recommendations from the Article 6.4 Supervisory Body were also not adopted in Dubai. The Article 6.4 Supervisory Body will continue the relevant work to further develop the recommendations on the mechanism methodologies and activities involving removals, for consideration and adoption at CMA 6.

(The Article 6.4 Supervisory Body was designated by the CMA to supervise the mechanism under the said article, based on the Glasgow Decision 3/CMA.3, containing the rules, modalities and procedures for the mechanism established. The Supervisory Body is fully accountable to the CMA and is operating under its authority and guidance.)

The negotiations under Articles 6.2, 6.4 and 6.8 had been the last items to conclude in Dubai, with "take-it-or-leave-it" draft decision texts presented by the co-facilitators late in the evening of 12 December, which was the original scheduled date for the closing of the talks.

Article 6.2

One of the main points of contention for both Articles 6.2 and 6.4 was the process and timing of the authorisation of credits by host countries. Some developing countries are calling for flexibility in the authorisation, including revisions or revocation of authorisation, while developed countries are against such flexibility because in their view, this would undermine market confidence.

Based on the CMA 4 decision from Sharm el-Sheikh in 2022, Parties should decide on the process of authorisation, specifically on the scope of changes to the authorisation of ITMOs towards their uses, and the process for managing them, and for authorisation of entities and cooperative approaches to ensure transparency and consistency, at CMA 5 in Dubai.

This issue proved highly contentious in Dubai, as reflected in the discussions at the contact group on 12 December where several Parties including **Mexico**, the **European Union (EU)**, the **Independent Alliance of Latin America and the Caribbean (AILAC)**, the **United States (US)** and the **United Kingdom (UK)** expressed concerns with the draft decision text, especially on the "authorisation" section, and rejected the text. The contact group was presided over by **Maria Jishi (Saudi Arabia)** and **Peer Stiansen (Norway)**.

The **UK** reiterated its position on the revocation of authorisation after the first ITMO and said it was "not comfortable with paragraph 12" of the text and could therefore "not accept the text".

(Paragraph 12 of the text reads: "Decides that any changes to an authorisation of a cooperative approach should not apply to or affect ITMOs that have already been first transferred, unless otherwise agreed and made publicly available by the participating Parties in a cooperative approach or by a participating Party under extreme circumstances." Paragraph 12 was also referenced in paragraph 31 of the draft text to ensure consistency between Articles 6.2 and 6.4 about the changes to the authorisation of the A6.4ERs (ERs are emission reductions).)

It was understood that the UK was strongly against any changes to authorisation, especially after the ITMOs have been transferred to other countries, on the grounds that it would undermine market confidence and thus affect the overall market size of Article 6.2 approaches.

The **EU** said the text was "not safe to adopt" and stated that it had expressed concerns at the beginning of the COP that it wanted to see clarity in the standard, especially on transparency, but felt its voice was not heard. "There are three things at stake: climate, investors, and host countries [and the] markets need to deliver for investors, for the climate and also for the host countries and we don't think this text delivers that," it said. The EU said it had "proposed a text that is short, simple and radical but many would be uncomfortable", and asked for the COP 28 Presidency to consider its amendments.

It seems that the EU had raised concerns on how to address accounting for reversals, considering the reversal risks, among others, for a high-quality standard.

(Reversals occur when the greenhouse gases that are supposed to be 'removed' from the atmosphere or stored through removal activities are reversed and released back into the atmosphere, for example in the event of forest fires, pests, droughts, etc. See the further discussion on reversals under Article 6.4 in the following section.)

Mexico said that "human rights" language was removed from the text and that this was a red line for it and that the text did not allow for "transparency" and "accountability". Mexico was referring to the "authorisation" section where it saw the removal of reference to the eleventh preambular paragraph of the PA (which states that "Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights…") as one of the elements the host countries may consider when submitting their authorisation.

The previous draft text contained a longer list of what "may" be contained in the copy of authorisation to be submitted by the host country in a standardised form. These included description of how the cooperative approach minimises the risk of non-permanence and ensures that reversals are addressed in full, or how reversal risks will be addressed, and how the cooperative approach contributes to implementation of the NDC and the Long-Term Low Emissions Development Strategies (LT-LEDS) (if any) and to the achievement of the long-term goals of the PA. These were removed from the final draft decision text.

The final draft "encourages participating Parties to include, at their discretion, the following elements in the authorisation(s) of each cooperative approach", such as the unique identifier, name and parameters of the cooperative approach, definition of first transfer by the authorising Party, metrics, sectors, vintages, contribution of resources for adaptation and overall mitigation in global emissions, arrangement for authorising entities, among others.

The other key issue on Article 6.2 is the process of identifying, notifying and correcting inconsistencies. As seen in the earlier draft, Parties were considering what would be the consequences when material inconsistencies of ITMOs were identified during the consistency check. Among the proposals were that: (1) ITMOs shall not be used towards NDC achievement or other international mitigation purposes until corrected, and shall not be subject to any further transaction or transfer until the inconsistencies are resolved; or (2) may still be used towards NDC achievement or other international mitigation purposes, despite being marked as inconsistent in the output of the consistency check procedure.

The final draft text suggested those ITMOs be marked by the consistency check procedure developed by the secretariat, and the output of the consistency checks would be publicly displayed.

The **Least Developed Countries (LDCs)**, the **African Group**, the **Coalition for Rainforest Nations (CfRN)** and the **Alliance of Small Island States (AOSIS)** said they could accept the text as a package deal together with the Article 6.4 draft text, while **Japan** and **Switzerland** accepted the text as is.

Towards the end of the contact group, **Ukraine** said that it was "very disappointed with what is happening in this room", adding that "we are even more disappointed by some Parties to create blocks … 'human rights' and 'environmental integrity' are used to block decisions in both Article 6.2 and Article 6.4".

In response to Parties wanting to spend more time on the text to find consensus and bridge proposals, the **US** said it "would be deeply uncomfortable to reconcile these differences in the time that remains". Most Parties then called for "saving the text" and using it as a basis for further discussion.

The co-facilitators noted that there was no consensus to forward the text for adoption, but also quoted what **Japan** had been saying, that "we are in operational mode". It was reported that some Parties had already started engaging in bilateral Article 6.2 cooperation.

Also, the consideration of whether ITMOs could include emission avoidance will be decided at CMA 6 (November 2024) as per the CMA 4 decision.

Article 6.4

The major divergences on Article 6.4 were on the consideration of the Supervisory Body (A6.4SB)'s recommendations on mechanism methodologies and activities involving removals (referred to as the "guidance on removals") and also on "changes to authorisation".

(The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)'s definitions of activities involving removals include the following:

(a) Anthropogenic removals – the withdrawal of greenhouse gases from the atmosphere as a result of deliberate human activities.

(b) Carbon dioxide removal – anthropogenic activities removing CO_2 from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. It includes existing and potential anthropogenic enhancement of biological, geochemical or chemical CO_2 sinks, but excludes natural CO_2 uptake not directly caused by human activities.)

During the contact group on 12 December presided over by **Sonam Tashi (Bhutan)** and **Kate Hancock (Australia)**, several Parties including the **EU**, **AILAC**, **Mexico** and the **CfRN** rejected the third iteration of the draft text, citing concerns about the guidance on removals which they had stated before.

The **EU**, **Mexico** and **AILAC** also raised concerns over the lack of effective operational language on the "human rights" issue, as the draft text only "acknowledges that in this cooperation Parties should respect, promote and consider their respective obligations on human rights…".

The draft decision text welcomed the requirements for activities involving removals and methodologies forwarded by the A6.4SB and also requested the SB to apply these requirements while noting that further work was needed to "elaborate and develop clarifications ensuring that terminology applied is consistent and that guidance is clear, update the requirements, as appropriate, and report on its progress to the [CMA]".

Many Parties expressed concerns that there were gaps in the SB's recommendations on activities involving removals, but there were diverging views on whether to adopt or reject them, as witnessed during the informal consultation on 11 December.

The **CfRN**, **Ukraine**, **Dominica**, **Suriname**, **Mexico**, **DR Congo**, the **Dominican Republic** and **Norway** proposed to send the recommendations back to the A6.4SB with the CMA's guidance for further work, and consider its adoption at CMA 6.

Brazil suggested a bridging proposal that allowed for "interim adoption or pilot programme" and mandated the A6.4SB to clarify and amend it as needed, subject to the view of the CMA at subsequent sessions. In a similar vein, **Ethiopia** also proposed its "provisional adoption".

The **EU** said it was "happy with the mechanism's methodologies document but not the 'removals' document as it does not give the necessary clarity to make the benchmark". Commenting further, it said these two documents were the "constitutional documents that shape the direction of Article 6.4". It was also willing to engage with Brazil's bridging proposal, but wanted clarification on what "interim adoption" meant.

Earlier, the **EU** had said it had significant concerns with the guidance on removals, specifically on reversals, as the guidance was not clear and there was a need for further work to ensure all reversals were adequately addressed. For example, the EU pointed out that paragraph 27 on accounting for removals was confusing while "paragraph 55 is a bit premature".

(Paragraph 27 in the guidance for removals reads: "Removals eligible for crediting shall exceed the applicable baseline determined in accordance with requirements for the development and assessment of Article 6.4 mechanism methodologies and are calculated for each year in the crediting period. In each given monitoring report, such calculations are done in accordance with the following:

(a) by calculating net removals, which involves the estimation and deduction of emissions within the activity boundary that result from the implementation of the activity and/or from an event that could potentially lead to a reversal of removals, and any leakage emissions, in accordance with the applicable provisions of the Activity Standard, requirements for the development and assessment of Article 6.4 mechanism methodologies, and the applicable methodology; and

(b) by comparing the current cumulative net removals to cumulative net removals in the previous monitoring report. Current cumulative net removals that fall below the cumulative net removals in the previous monitoring report constitute reversals."

Paragraph 55 states: "Buffer ERs shall not be cancelled to remediate avoidable reversals.")

Elaborating further, the **EU** said it was hesitant to endorse the guidance as some of the text was too narrow and unclear on what the expectations were with regard to the further guidance to be developed by the SB.

(The guidance document on removals covers topics including monitoring, reporting accounting for removals, addressing reversals, avoidance of leakage and other negative environmental and social impacts and host party roles. However, the guidance document is yet to provide details on a range of issues including the post-crediting period (monitoring, reporting and verification of removals and remediation of reversals and also timeframe), reversal risk assessment tool, notification from third parties of observed events that could potentially lead to reversals, treatment of activities for which a reversal results in calculated removals within the activity boundary that fall below the baseline level, Reversal Risk Buffer Pool to address reversal risk and reversals, avoidable and unavoidable reversals, including how they are distinguished and demonstrated, specific removal activity categories or types taking into account national and international best practices in environmental and social safeguards and the host party's role in providing a sovereign guarantee to apply corresponding adjustments in respect of any amount of reversals incurred as an alternative measure to address reversal risk and reversals. The document indicates that further guidance on the above issues will be developed by the SB.)

The **US** said that it did not want to set bad precedence to undermine the integrity of the governance and have the A6.4SB's recommendations subject to review and revision every time, but was happy to engage in the bridging proposal, and "sending further work, clarification, [and] amendment would be tremendous mistakes".

The **African Group** and the **LDCs** suggested adopting both documents while having the SB continue work to address additional concerns from Parties in the work programme. The **Like-Minded Developing Countries** (**LMDC**) stated its preference to adopt both the guidance documents but was not open to having a list that dictates the work of the SB.

AILAC highlighted that the safeguards on human rights and indigenous peoples were not set yet and it hoped to adopt the recommendations on removals and methodologies alongside the sustainable development tool as a package at CMA 6.

Environmental and social safeguards which are part of the sustainable development tool and also the independent grievance mechanism were another subject of heated debate in the discussions.

New Zealand (NZ) commented that it would like to see the delivery of all documents as a package, including recommendations on reversal risk assessment tool, baseline, leakage and the "mandatory sustainable development tool". It said the appeal process and the grievance mechanism should move in tandem with this process (referring to the guidance on removals and methodologies) and ensure no activity should start prior to the finalisation of the appeal and grievance mechanism; otherwise, it would risk the environmental integrity of the mechanism.

A few other Parties, including **AILAC**, **AOSIS** and **Canada**, expressed regret that the key environmental and social safeguards in the sustainable development tool and independent grievance mechanism were not completed.

However, the sustainable development tool which contains the safeguards elements is not subject to CMA adoption, but the A6.4SB is to decide and implement it without the need for adoption by the CMA.

(Decision 3/CMA.3, paragraph 5, reads: "Requests the SB to: ... (c) Review the sustainable development tool in use for the clean development mechanism and other tools and safeguard systems in use in existing market-based mechanisms to promote sustainable development with a view to developing similar tools for the mechanism by the end of 2023".)

The final draft text, which was rejected by Parties, "urges the SB to prioritize its work on the sustainable development tool, the appeals and grievance procedure, and tools and guidelines relating to baselines, additionality, leakage and a reversal risk assessment as well as other regulatory provisions as required in the rules, modalities and procedures for the mechanism as a matter of urgency".

The **CfRN** rejected the text due to its concern about the guidance on removals involving the forest sector. "If the current removal guidance is applied … it would be in clear conflict [with the already agreed decisions] and there are numerous flaws [in the document]," it said. The CfRN raised concerns about the "removals involving forests" in which Article 6 rules must respect the result of the negotiations at COP 21 and the provisions of the PA, i.e., Article 5.2 of the PA on the REDD-Plus framework. One example pointed out by the CfRN was on the baseline for removals involving forests where Article 5.2 requires a national-level aggregation or national-level reference.

The discussion on "authorisation and mitigation contribution [of] A6.4ER" was based on the earlier draft text which suggested "that the host Party may provide to the SB at any time a statement authorizing mitigation contribution A6.4ERs already issued for use towards achievement of NDCs and/or for other international mitigation purposes". (For background, please see TWN Update 17 from Sharm el-Sheikh on the contentious issues over Article 6.)

(Mitigation contribution A6.4ERs (referred to by Parties as mitigation contribution units – MCUs) are the A6.4ERs that are not authorised. See paragraph 29 of Decision 7/CMA.4 which refers to "…(b) A6.4ERs not specified as authorized for use towards achievement of NDCs and/or for other international mitigation purposes (mitigation contribution A6.4ERs), which may be used, inter alia, for results-based climate finance, domestic mitigation pricing schemes, or domestic price-based measures, for the purpose of contributing to the reduction of emission levels in the host Party".)

The **EU** and **AOSIS** were of the view that this may affect the levy for the share of proceeds for adaptation, and cancellation to deliver an overall mitigation in global emissions (OMGE). The EU suggested deleting the relevant paragraphs, while AOSIS proposed to have a technical paper from the secretariat to have a better understanding of the implications "to avoid any loopholes" so that Parties could have an informed discussion.

The **African Group** disagreed with the deletion proposed by the EU, and called for the same level of flexibility under Article 6.2 as there was discussion in Article 6.2 which allowed any unit to be authorised at any time before the transfer. It further proposed that the host country may provide a statement authorising MCUs "at the issuance" and "before the first transfer", while ensuring that all the mitigation contribution A6.4ERs would be subject to all the requirements after authorisation, including the corresponding adjustment, share of proceeds and OMGE.

Ukraine supported the African Group that authorisation was a national prerogative and Parties could provide such authorisation as they wished. The **EU** responded by saying "not that we are not in favour of maximum flexibility, but some lead to perverse incentive … [and] further complexity. We have some flexibility around the first transfer … but if it happens after issuance, there will be difficult problems later."

NZ put forward a bridging proposal to recall paragraph 38 of the Sharm el-Sheikh decision and rephrase the sentence to "at the latest of issuance, recognizing a host party can change authorisation of MCUs that have been issued but not transferred". This was supported by the **African Group** but rejected by the **EU** and **AOSIS**.

China said it could go along with NZ's bridging proposal but could not agree with the technical paper proposed by **AOSIS**. It was of the view that this was an issue that could be solved at the technical level by having a CMA decision, for the secretariat to operationalise the matter and not to deal with the technical issue at the CMA.

The co-facilitators then came in to say that they were "not seeing consensus and have a hard stop at 1 pm" and there were "more items to consider", hence the need to move on to another item.

The connection of the Article 6.4 registry to the international registry and the consideration of emission avoidance activities were other key issues that saw substantial divergence in the room.

The final draft negotiation text saw a recommendation to consider emission avoidance and conservation enhancement activities as part of the review of the rules, modalities and procedures for the mechanism at CMA 10 (2028).

During the negotiations, **Bolivia** submitted a proposal for a "moratorium" on progress in both Article 6.2 and 6.4 negotiations, expressing its disappointment with the unbalanced progress in Article 6.8 and citing concerns that developed countries had bracketed almost all of the proposals that were meant to advance negotiations on Article 6.8 NMAs. Bolivia said that despite the lack of progress in the discussions on Article 6.4, it reaffirmed its position against market-based approaches as the solution to the climate crisis and reiterated its position that global carbon markets are not the structural solution to solve the climate crisis.

Article 6.8 non-market approaches

The adopted decision text on NMAs in Dubai "takes note of the progress made by the secretariat in developing and operationalizing the UNFCCC web-based platform for non-market approaches" but also recognises that the timeline to complete the platform was not met.

Parties agreed to a new timeline for the secretariat to complete the development and deploy the fully operational UNFCCC web-based platform as soon as possible, before the 5th meeting of the Glasgow Committee on NMAs in June 2024.

One of the key contentions was whether there was a meaningful follow-up on the joint mitigation and adaptation approaches (JMA) championed by **Bolivia** and supported by the **LMDC**. This was opposed by many in the room.

(Bolivia introduced its NMA on JMA for the integral and sustainable management of forests, aimed at enhancing sustainable forest management and forest conservation, in particular in the Amazon region, during the in-session workshop on 9 June 2023.)

The landing zone for the JMA in the adopted text reads, "Requests the secretariat to: … (b) Prepare a report on the workshop in line with decision 8/CMA.4, paragraph 10, including on the JMA referred to in Article 5.2 of the PA, and other activities and approaches."

Another key divergence in the room was regarding the discussion of finance for the implementation of NMAs.

The adopted text requests the SBSTA, as the convenor or the Glasgow Committee on NMAs, "to invite interested Parties … to have a focused exchange of views on financial, technology and capacity-building support available or provided for identifying and developing NMAs, including on enhancing access to various types of support and identifying investment opportunities and actionable solutions that support the achievement of NDCs, as part of the in-session workshop referred to in paragraph 15(c) above".

Sources said that the US was not happy with the text. This was witnessed in the contact group for Article 6.8 presided over by **Kristin Qui (Trinidad and Tobago)** and **Jacqui Ruesga (New Zealand)** on 12 December.

The final text received support from almost all of the Parties, except the **US**. The US began by expressing its disappointment with the text, saying that the reference to "a specific NMA without any other NMAs included is extremely unbalanced and we find it impossible to accept the text on that basis". However, towards the end of the session, the US came back and said that it agreed to accept the text but hoped to see more balance in future in the Glasgow Committee on NMAs.

Another key source of divergence was the contentious reference to "carbon pricing" and "nature-based solutions", which saw strong opposition from developing countries including **Bolivia**, **Argentina**, the **LMDC**, the **African Group**, **AILAC**, **Liberia** and the **CfRN**.

The earlier draft saw bracketed text on carbon pricing which read, "Invites Parties to consider non-market approaches, including domestic fiscal measures such as carbon pricing, as a tool for implementing climate policies that are coherent across countries; such as adoption of climate policies, taking into account national circumstances."

Many developing countries proposed to delete the reference to carbon pricing and nature-based solutions to avoid connecting NMAs to the carbon market and to maintain a clear distinction between market and non-market approaches.

In response to the reactions from developing countries, the **US** said that it saw carbon pricing as a "non-market approach" which could be implemented. The **EU** said it would like to keep the "carbon pricing" language. Explaining further, the EU said it acknowledged the discussion on carbon pricing which could include carbon markets but this was not its intention as carbon pricing also included other levies and carbon taxes.

China called for deletion of the paragraph as it did not want any mention of domestic fiscal measures and carbon pricing.

The final decision text saw the removal of both "carbon pricing" and "nature-based solutions".

With regard to the proposal from Bolivia to establish a readiness process for scaling up the NMAs presented in the workshop, which was not supported by some developed countries, Parties finally agreed with language on "capacity building" as a bridging proposal.

The decision text includes a section on "capacity building" which reads, "Reiterates its request to the secretariat to include as part of the broader capacity-building programme … including activities to build:

(a) The capacity for the identification, development and scaling-up of non-market approaches, including by encouraging the participation of relevant stakeholders, including Indigenous Peoples and local communities;

(b) Opportunities for interested Parties that are participating in non-market approaches to communicate with relevant stakeholders for enhancing cooperation and support in non-market approaches;

(c) The capacity for the effective participation of Indigenous Peoples, local communities and other relevant stakeholders in the relevant work programme activities;

(d) The capacity of Parties to record and exchange information on non-market approaches on the UNFCCC web-based platform."

The decision also invites Parties and observers to submit by 31 March 2024 their views and information on: (a) themes for spin-off groups; and (b) existing non-market approaches under the initial focus areas of the work programme activities.

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Global stocktake outcome adopted over North-South divide

Penang, 26 December (Prerna Bomzan and Meena Raman) – The outcome of the first global stocktake (GST), heralded as a key political outcome from the Dubai climate talks, was swiftly gavelled, as part of the UAE Consensus package, by COP 28 President **Dr. Sultan Ahmed Al Jaber** in the morning of 13 December, one day after COP 28 was originally scheduled to close.

One of the significant outcomes on global mitigation efforts calls on Parties to contribute to, inter alia, "transitioning away from fossil fuels". This is seen as historic, as it is the first time that such a call has been made in any decision under the UNFCCC or the Paris Agreement (PA), and has been hailed by many quarters, especially developed countries, as a key political success, with much credit given to the UAE COP 28 Presidency. (See further details below in the mitigation section.)

While the adoption of the GST outcome decision was met with applause, it slowly translated into mixed reactions (see TWN Update 18), with many developing countries expressing reservations about the process that led to its adoption and about the substance of the decision itself. Some developing countries and their groups, in their official statements after the adoption, clarified their interpretation of the decision text especially in relation to the mitigation section, in the context of the application of the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), whereby developed countries should take the lead in the efforts and in the provision of the means of implementation (MOI) to developing countries for their efforts.

Starting from the very first week of the GST talks, the sticky issue of the global mitigation efforts – such as on tripling renewable energy, doubling energy efficiency, phasing out of fossil fuels, phasing out of coal, phasing out of inefficient fossil fuel subsidies – was at the core of the wide North-South rift, far away from any convergence and consensus.

Other contentious issues involved language around the reflection of the principles of equity and CBDR-RC under the UNFCCC and its PA, historical emissions/responsibility of developed countries, the carbon budget/space in relation to the temperature goal, pre-2020 implementation gaps, MOI and support, how Article 2.1(c) of the PA should be interpreted and made operational on making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, and unilateral trade measures, among others (see TWN Update 11).

The process leading to the decision

It is to be noted that in the first week, which produced two iterations of "textual building blocks" by the Co-Chairs of the informal consultations on the GST, **Joseph Teo (Singapore)** and **Alison Campbell (United Kingdom)** under "their own authority", Parties were not able to undertake direct textual negotiations on the decision text, and instead only had a few opportunities to express their views to inform the two iterations of 1 December and 5 December.

In the second week of the climate talks starting 8 December, the evolution of the GST outcome text into three further iterations was essentially shaped by bilateral political consultations at the level of heads of delegation (HODs) and ministers between the Parties and their negotiating groups and the COP 28/CMA 5 Presidency (see TWN Update 14). There were no direct negotiations undertaken by Parties on the

GST decision text at the level of the technical negotiators.

The political consultations during the second week undertaken by the Presidency were initially on the basis of the third iteration of the "refined textual building blocks" of 8 December that the former Co-Chairs prepared under the "authority of the CMA President". This third iteration stated that the "building blocks" – essentially the various sections of the GST outcome that contained textual suggestions for the decision's content – "do not constitute agreed text and aim to provide a starting point for work in the second week, including ministerial consultations".

Sources told TWN that the fourth iteration of 11 December, produced as a "draft text by the President", was shaped, inter alia, by bilateral ministerial consultations led by **Barbara Creecy (South Africa)** and **Dan Jorgensen (Denmark)** on 9-10 December, with their textual proposals for the "context and cross-cutting considerations" and "international cooperation" sections seeking to identify potential "landing zones". Further, the Presidency decided to up the ante by conducting bilateral consultations led by the COP President **Al Jaber** himself, including in having the *Majlis* setting conducted on 10 December (see TWN Update 17), with ministers as well as representatives of negotiating groups. In these consultations, the Presidency started testing out bilaterally various formulations of text for the different sections of the GST outcome decision.

According to sources, at no time were Parties and their negotiating groups able to engage directly with each other, whether at the technical negotiators' level or at the level of HODs or ministers, on the Presidency's textual proposals. The process essentially involved the Presidency consulting bilaterally with Parties and their negotiating groups, verbally outlining (and in some cases physically showing) textual formulations and then obtaining immediate feedback (either verbally or in written form) for the Presidency's team to then consider any reformulation of the decision text. Additionally, the entirety of the draft text could not be viewed (other than the third and fourth iterations), as the Presidency focused the bilateral consultations on only a few key paragraphs that were seen as highly politically contentious (such as the paragraph on the global mitigation efforts).

After additional day and night negotiations led by the Presidency, marked by 'shuttle diplomacy', through 11-12 December and creeping into the morning of 13 December, the final, fifth iteration of the "President's proposal" was eventually adopted as the outcome decision (referred to as CMA Document L.17).

In a dramatic turn of events, in the early evening of 12 December, a 'leaked text' started circulating that bore considerable resemblance to the final iteration that eventually got adopted; for instance, the language on "transitioning away from fossil fuels" was in it. The 'leaked text' was widely seen as being the penultimate iteration of the final GST outcome that the Presidency was in the final hours of shaping.

In the midst of confusion and anxiety as to the status of the 'leaked text', the Presidency clarified that it was not the official text and was not circulated by the Presidency. However, no further text was issued, until the appearance of the final decision text for adoption.

Throughout the evolution of the text and especially towards the last hours, divisive North-South issues, especially on the principles of equity and CBDR-RC, historical emissions/responsibility and carbon budget, the MOI and support, the global mitigation efforts and unilateral trade measures, were progressively adjusted to accommodate the views of developed countries while ensuring that these concepts and issues remained in some (watered-down) form in the text to assuage developing countries.

The push was also for elevating the temperature goal to limiting temperature rise to "1.5°C", away from the PA temperature goal of "well below 2°C", and linking it to the global mitigation efforts, without explicitly linking such efforts to developed countries taking the lead or to the provision of the MOI from developed to developing countries.

The GST decision

The GST decision comprises 196 paragraphs covering 21 pages structured under the following sections:

Preamble;

I. Context and cross-cutting considerations;

II. Collective progress towards achieving the purpose and long-term goals of the Paris Agreement, including under Article 2.1(a-c), in the light of equity and best available science, and informing Parties in updating and enhancing, in a nationally determined manner, action and support

(This section covers mitigation, adaptation, MOI and support (finance, technology development and transfer, capacity building), loss and damage, and response measures);

III. International cooperation; and

IV. Guidance and way forward.

(This update provides highlights on all the various elements of the decision, and the eventual landing zones of the key North-South issues adopted in the final text, which are set out below.)

Preamble, context and cross-cutting considerations

Historical emissions, carbon budget

References in the text to historical emissions/ responsibility and carbon budget/space were eventually dropped from the third iteration of 8 December, despite consistent calls for inclusion by the **Like-Minded Developing Countries (LMDC)** led by **Saudi Arabia**, **Ghana** for the **African Group**, **Brazil** for **Argentina, Brazil, Uruguay (ABU)** and **Brazil, South Africa, India, China (BASIC)**, **Oman** for the **Arab Group**, **Iraq**, **India** and **China**, against firm opposition from developed countries led by the **United States (US)**, **Australia** and **Canada**.

Sources revealed to TWN that on 10 December, the ministerial consultations focused on putting forth textual proposals for potential landing zones on these two crucial issues. A reference to historical emissions and their link to the global carbon budget was included in paragraph 25 of the GST outcome, which reads: "Expresses concern that the carbon budget consistent with achieving the PA temperature goal is now small and being rapidly depleted and acknowledges that historical cumulative net carbon dioxide emissions already account for about four fifths of the total carbon budget for a 50 per cent probability of limiting global warming to 1.5°C." These references, however, fall short of what developing countries had pushed for, i.e., that the text explicitly indicates that developed countries are responsible for most of the historical cumulative emissions, and for using up most of the global carbon budget in relation to the temperature goal.

Convention, equity, CBDR-RC

The "preambular" and the "context and cross-cutting considerations" sections carry explicit references to the Convention and principles of equity and CBDR-RC. However, the text has largely been toned down from earlier iterations, mainly due to opposition from developed countries.

Despite major pushback from developed countries led by the **US** who argued that the GST is under the PA and is therefore delinked from the Convention, the specific expanded language on both Articles 2.1 and 2.2 of the PA in the Preamble was retained in the text as it was strongly defended by the **G77 and China**, and further reinforced by the **LMDC**, the **African Group**, **ABU**, **BASIC**, **Bahrain** for the **Arab Group**, **Colombia** for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, and **Egypt**, **China**, **India** and **Botswana** in their national capacities.

The second and third paragraphs of the Preamble read:

"Recalling Article 2.1 of the PA, which provides that the Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty,

Also recalling Article 2.2 of the PA, which provides that the Agreement will be implemented to reflect equity and the principle of CBDR-RC, in the light of different national circumstances."

In the "context and cross-cutting considerations" section, paragraph 6 further captures equity and CBDR-RC: "Commits to accelerate action in this critical decade 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."

Article 2.2 is also reflected in paragraph 7 which reads, "Underscores Article 2.2 of the PA, which stipulates that the Agreement will be implemented to reflect equity and the principle of CBDR-RC, in the light of different national circumstances."

Temperature goal

A key political fight was to elevate the temperature goal to 1.5°C and link it with the global mitigation efforts. Paragraphs 3, 4 and 5 were finally introduced, attempting to balance the text with inclusion of the Paris temperature goal as well as with a focus on the aspirational goal of 1.5°C. The 1.5°C limit was constantly referred to as the "North Star" by the COP 28 Presidency and many Parties.

Paragraph 3: "Reaffirms the PA temperature goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change".

Paragraph 4: "Underscores that the impacts of climate change will be much lower at the temperature increase of 1.5°C compared with 2°C and resolves to pursue efforts to limit the temperature increase to 1.5°C".

Paragraph 5: "Expresses serious concern that 2023 is set to be the warmest year on record and that impacts from climate change are rapidly accelerating, and emphasizes the need for urgent action and support to keep the 1.5°C goal within reach and to address the climate crisis in this critical decade".

(1.5°C is also the temperature goal referred to in other parts of the GST decision text, including in paragraph 16(c) with respect to mitigation options, paragraph 25 in relation to the carbon budget, paragraph 26 in relation to the Intergovernmental Panel on Climate Change (IPCC)'s 6th Assessment Report (AR6)'s finding on global peaking, paragraphs 27 and 28 on the global mitigation target and related global mitigation efforts, and paragraph 39 with respect to nationally determined contributions (NDCs).)

Means of implementation and support

According to sources, a major omission in the context section was in not having explicit and specific MOI language to reflect Article 4.7 of the Convention and Article 4.5 of the PA, which had been proposed for inclusion by the **LMDC** and supported by the **African Group**, **BASIC** and **Egypt**. This proposal faced stiff resistance from developed countries who rejected any explicit strong MOI language, especially on finance, across the board.

(Article 4.7 of the Convention states: "The extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology…".)

(Article 4.5 of the PA states: "Support shall be provided to developing country Parties for the implementation of this Article, in accordance with Articles 9, 10 and 11, recognizing that enhanced support for developing country Parties will allow for higher ambition in their actions.")

The language on Article 4.5 was present until the third iteration of the text of 8 December, but did not make its way into the final text.

A rather generic paragraph 8 in the final decision encapsulates MOI and support: "Emphasizes that finance, capacity-building and technology transfer are critical enablers of climate action."

Paragraph 16(b) also notes the findings of the IPCC AR6 "that both adaptation and mitigation financing would need to increase manyfold, and that there is sufficient global capital to close the global investment gap but there are barriers to redirecting capital to climate action, and that Governments through public funding and clear signals to investors are key in reducing these barriers and investors, central banks and financial regulators can also play their part".

Pre-2020 gaps

The text on pre-2020 implementation gaps of the developed countries is considered a key success for developing countries given the tough fight to ensure historical responsibility, equity and CBDR-RC, especially in the context of developed countries taking the lead in action and support.

Developed countries had, all throughout the GST process, generally refused to accept any reference to pre-2020 implementation gaps, arguing that as the GST is under the PA, only implementation actions undertaken since the PA entered into force in 2016 should be taken into account, even though they had already agreed previously (see paragraph 9 of Decision 19/CMA.1) in Katowice, Poland, that "the GST will be conducted in a comprehensive, facilitative, effective and efficient manner, avoiding duplication of work and taking into account the results of relevant work conducted under the PA, the Convention and the Kyoto Protocol".

Paragraph 17 of the adopted decision reads, "Notes with concern the pre-2020 gaps in both mitigation ambition and implementation by developed country Parties and that the IPCC had earlier indicated that developed countries must reduce emissions by 25-40 per cent below 1990 levels by 2020, which was not achieved".

Mitigation

Historical emissions, carbon budget, equity

References in the mitigation section to CBDR-RC and pre-2020 gaps eventually got dropped from the final outcome, despite appearing in the fourth iteration draft of 11 December. However, the references to CBDR in paragraphs 6 and 7 and to the pre-2020 gaps in paragraph 17 under the "context and cross-cutting considerations" section form part of the context in which the operational paragraphs of the mitigation and other sections of the GST text would be read.

The reference to historical emissions and the carbon budget in paragraph 25 in the mitigation section reflects a win for developing countries, given the tough stance by developed countries to completely reject any text on these two issues. It was a clarion call of the **LMDC**, the **African Group**, **ABU**, **BASIC**, the **Arab Group**, **Iraq**, **India** and **China** which survived in this mitigation section, but was dropped from the preceding preambular and "context and cross-cutting considerations" sections.

Paragraph 25 reads, "Expresses concern that the carbon budget consistent with achieving the PA temperature goal is now small and being rapidly depleted and acknowledges that historical cumulative net carbon dioxide emissions already account for about four fifths of the total carbon budget for a 50 per cent probability of limiting global warming to 1.5°C".

This paragraph had been dropped in the 11 December fourth iteration text but was reintroduced in the final decision. It is, however, a watered-down version of the original paragraph captured as an option until the third iteration of 8 December, which read, "Acknowledges that the carbon budgets consistent with achieving the PA temperature goal are now small and being rapidly depleted and expresses concern that historical cumulative net CO_2 emissions between 1850-2019 amount to about four fifths of the total carbon budget for a 50 per cent probability of limiting global warming to 1.5°C, and to about two thirds of the total carbon budget for a 67 per cent probability to limit global warming to 2°C".

Further, **China** had consistently expressed its view that the paragraph does not reflect related findings from the IPCC's AR6 Summary for Policymakers that, by region, North America and Europe are responsible for 39% of the historical emissions and Eastern Asia only 12%.

However, on the issue of the "peaking" of emissions, paragraph 26 reads, "Recognizes the finding in the Synthesis Report of the Sixth Assessment Report of the IPPC, based on global modelled pathways and assumptions, that global greenhouse gas emissions are projected to peak between 2020 and at the latest before 2025 in global modelled pathways that limit warming to 1.5°C with no or limited overshoot and in those that limit warming to 2°C and assume immediate action, and notes that this does not imply peaking in all countries within this time frame, and that time frames for peaking may be shaped by sustainable development, poverty eradication needs and equity and be in line with different national circumstances, and recognizes that technology development and transfer on voluntary and mutually agreed terms, as well as capacity-building and financing, can support countries in this regard".

This language ensures that there is no global mitigation target applicable to all Parties on peaking before 2025, but that the timeframes are shaped by the considerations mentioned, including "equity", in line with different national circumstances and MOI.

Global mitigation efforts

The Glasgow Climate Pact (paragraph 22 of Decision 1/CMA.3) stated that "limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global greenhouse gas emissions, including reducing global carbon dioxide emissions by 45 per cent by 2030 relative to the 2010 level and to net zero around midcentury as well as deep reductions in other greenhouse gases".

Paragraph 15 of the Sharm El Sheikh Implementation Plan (Decision 1/CMA.4) then amended this as follows: "… limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global greenhouse gas emissions of 43 per cent by 2030 relative to the 2019 level".

The GST decision text of Dubai, in paragraph 27, provides more details with references to 2030, 2035 and 2050, as follows: "Also recognizes that limiting global warming to 1.5°C with no or limited overshoot requires deep, rapid and sustained reductions in global greenhouse gas emissions of 43 per cent by 2030 and 60 per cent by 2035 relative to the 2019 level and reaching net zero carbon dioxide emissions by 2050".

Paragraph 28 of the GST decision text on the "global efforts" supplements these emission reduction targets. The global mitigation efforts (some with specific timelines) had been a key focus of political attention for the GST outcome given language on fossil fuels and coal that will have policy implications. Many countries hailed it as a ratcheting up of ambition on mitigation towards "keeping 1.5°C alive", pushed particularly by developed countries, linking it with the eight global targets of paragraph 28(a-h).

Paragraph 28 was a paragraph – both the chapeau and global targets – that drew attention at the highest political level, carrying different versions in its evolution through the five iterations, including the 'leaked text', and hence signifying a difficult paragraph to 'land' in terms of balance. Many developed countries and some developing countries had pushed for clear quantified and time-bound global mitigation targets, while other developing countries were very concerned about the economic and policy consequences of having such targets.

The adopted paragraph 28 reads, "Further recognizes the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5°C pathways and calls on Parties to contribute to the following global efforts, in a nationally determined manner, taking into account the PA and their different national circumstances, pathways and approaches:

(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;

(c) Accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;

(d) Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science;

(e) Accelerating zero- and low-emission technologies, including, inter alia, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production;

(f) Accelerating and substantially reducing non-carbon-dioxide emissions globally, including in particular methane emissions by 2030;

(g) Accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero- and low-emission vehicles;

(h) Phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible".

As observed by veteran negotiators from developing countries, the global mitigation efforts outlined in paragraph 28 have to be read in their proper context and purpose, rather than being treated individually without any consideration as to how they are going to be implemented.

For instance, the chapeau of paragraph 28 clearly indicates that Parties' contributions to these global efforts are to be done "in a nationally determined manner, taking into account the PA and their different national circumstances, pathways and approaches". The explicit reference to the PA indicates that these mitigation efforts are subject to the provisions of the Agreement, including its framework of CBDR-based obligations relating to the mitigation component of NDCs outlined under Articles 2, 3 and 4 and the provision of the MOI for such obligations under Articles 4, 9, 10 and 11.

This understanding of how paragraph 28 would need to be read and applied was in fact clarified by many developing countries, given the absence of specific language on MOI in the mitigation section of the GST decision, when they highlighted the urgent need for the delivery of MOI by developed countries in order to "equitably" implement the GST outcome in a "nationally determined manner" according to their "national circumstances".

According to one seasoned developing country negotiator, in practical terms, to implement paragraph 28 in its proper context, taking into account the PA, Parties' contributions to the global efforts outlined in subparagraphs (a) to (h) would be subject to the following considerations:

• The contributions are nationally determined. It is up to each Party to decide how and to what extent it would contribute to one, some or all of the sectoral global efforts mentioned in the subparagraphs and how such contributions would be reflected in each country's NDC, taking into account Articles 3, 4.2, 4.3 and 4.4 of the PA, as well as paragraphs 38 and 39 of the GST decision text.

(Paragraph 38 recalls Article 4.4 of the PA which provides for developed countries taking the lead. Paragraph 39 reaffirms "the nationally determined nature of NDCs and Article 4.4 … and encourages Parties to come forward in their next NDCs with ambitious, economy-wide emission reduction targets, covering all greenhouse gases, sectors and categories and aligned with limiting global warming to 1.5°C, as informed by the latest science, in the light of different national circumstances".)

• Parties' actions to contribute to such sectoral global efforts should reflect 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, as indicated in paragraphs 6 and 7 of the GST decision, and Articles 2.2 and 4.3 of the PA.

• In all cases, developing countries' NDCs that contain actions to contribute to the sectoral global efforts referred to in subparagraphs (a) to (h) should be provided with support by developed countries pursuant to Article 4.5 of the PA and paragraph 8 of the GST decision, which "emphasizes that finance, capacity-building and technology transfer are critical enablers of climate action".

During the bilateral consultations conducted by the Presidency, the iterations of paragraph 28 drew sharp reactions from most developing countries, especially in relation to the lack of specific language on MOI. They highlighted delivery of MOI and support by developed countries as imperative for ambition and for "equitably" implementing the GST outcome in a "nationally determined manner" according to their "national circumstances".

The explicit reference in the chapeau of paragraph 28 that Parties' contributions must take into account the PA clearly points to the issues raised by developing countries with respect to the need to ensure a clear linkage between Parties' contributions and the provision of MOI to developing countries. The inclusion of the PA reference hence indicates that the implementation of paragraph 28 would also be subject to the implementation of Article 4.5 which deals with the provision of support to developing countries for the implementation of their NDCs.

Textual language that was of key interest to both observers and many Parties was on the phase-out of fossil fuels. The final text referring to "transitioning away from fossil fuels" is a very watered-down version of earlier forms of the text with stronger language options of "phase out of fossil fuels". In the 11 December text, the language formulation was "reducing both consumption and production of fossil fuels", while the 'leaked text' carried language that was closer to the final paragraph 28 that was adopted.

Similarly, the final language of "phase-down of unabated coal power" was also weaker, given initial formulations carrying the more stringent "rapid phase-out of unabated coal power" in the decade, along with language on "limitations on permitting new and unabated coal power generation".

Paragraph 29 of the adopted decision "[r]ecognizes that transitional fuels can play a role in facilitating the energy transition while ensuring energy security", while paragraph 30 "[w]elcomes that over the past decade mitigation technologies have become increasingly available, and that the unit costs of several low-emission technologies have fallen continuously, notably wind power and solar power and storage, thanks to technological advancements, economies of scale, increased efficiency and streamlined manufacturing processes, while recognizing the need to increase the affordability and accessibility of such technologies".

AOSIS, speaking after the adoption of the GST decision, said the decision contains "many good elements" but "the course correction needed has not been secured", and that "we have made incremental advancement over business as usual" but "what is needed is an exponential step change".

It said that there is no commitment to peak emissions by 2025, and that in paragraph 28, "the exclusive focus on energy systems is disappointing"; sub-paragraphs (e) (on zero- and low-emissions technologies) and (h) (on phasing out inefficient fossil fuel subsidies) "potentially take us backward rather than forward" and "we are being asked to endorse technologies that could result in actions that undermine our efforts". It wanted guardrails on this language in relation to paragraph 28(e) (which could not be entertained as the decision had been gavelled).

Antigua and Barbuda said that reliance on transition gas (in paragraph 29) is a dangerous loophole and it is a fossil fuel that we need to transition away from. It raised the alarm that this will divert investments from renewable energy, leaving poor developing countries with high energy costs and stranded assets (see TWN Update 18).

Several observers and civil society groups have also expressed major environmental and social concerns over paragraph 28(e) in relation to the promotion of nuclear technology as well as abatement and removal technologies such as carbon capture and utilisation and storage.

The other global target is on halting and reversing deforestation by 2030 (paragraph 33), which is followed by paragraph 34 on the need for MOI for that particular target including through results-based payments and joint mitigation and adaptation approaches.

Paragraph 33 "[e]mphasizes the importance of conserving, protecting and restoring nature and ecosystems towards achieving the PA temperature goal, including through enhanced efforts towards halting and reversing deforestation and forest degradation by 2030, and other terrestrial and marine ecosystems acting as sinks and reservoirs of greenhouse gases and by conserving biodiversity, while ensuring social and environmental safeguards, in line with the Kunming-Montreal Global Biodiversity Framework".

Paragraph 34 "[n]otes the need for enhanced support and investment, including through financial resources, technology transfer and capacity-building, for efforts towards halting and reversing deforestation and forest degradation by 2030…, including through results-based payments for policy approaches and positive incentives for activities relating to reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries; and alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, while reaffirming the importance of incentivizing, as appropriate, non-carbon benefits associated with such approaches".

It needs to be noted that paragraph 32 on non-market approaches, which had been firmly called for by **Bolivia**, reads, "Also emphasizes the urgent need to strengthen integrated, holistic and balanced non-market approaches in accordance with Article 6.8 of the PA, in the context of sustainable development and poverty eradication, in a coordinated and effective manner, including through mitigation, adaptation, finance, technology transfer and capacity building, as appropriate".

Adaptation

Means of implementation and support

As with the mitigation section, developing countries wanted a robust reference to the provision of MOI in the adaptation section as well, which was consistently resisted by developed countries. The **G77 and China** had called for specific language on adaptation finance gaps; scaling up the quantum with the development of a roadmap; at least a doubling of adaptation finance thereafter with rapid increase based on needs of developing countries; need for public funds and grants coming from developed countries; simplified access and tracking of increase of adaptation finance, among others.

Some of these aspects relating to the MOI for adaptation and the gaps are reflected in the section specifically on MOI and support, and do not appear in the adaptation section. (See further details below.)

Linkage to global goal on adaptation

Throughout the evolution of the decision, there had been a placeholder for the global goal on adaptation (GGA) signalling that text would be derived from the final outcome on the GGA framework and its targets.

Paragraph 62 points to the GGA framework adopted by decision-/CMA.5 which is named the "UAE Framework for Global Climate Resilience". Paragraphs 63-65 are mirrored from the GGA decision, containing the thematic and dimensional targets of the Framework.

Means of implementation and support

The title of the section was contentious in the first week of the GST talks, with various language options put forward, including the controversial wording of Article 2.1(c) of the PA. The final text ultimately was titled "means of implementation and support", which was the preferred language of most developing countries whereas developed countries had pushed for the Article 2.1(c) reference.

Finance

Despite attempts by developed countries to completely weaken language on their financial obligations, going as far as rejecting any reference to "developed countries" having to provide or mobilise finance, the final decision manages to reflect key aspects in relation to Articles 2, 4 and 9.1-9.4 (paragraphs 66, 71, 72, 100); Article 4.5 (paragraph 73); the $100 billion per year goal through 2025 (paragraph 85); and the loss and damage fund and its funding arrangements (paragraphs 87-89).

The decision states the following in paragraph 67: "Highlights the growing gap between the needs of developing country Parties, … highlighting that such needs are currently estimated at USD 5.8-5.9 trillion for the pre-2030 period". Paragraph 68 states: "Also highlights that the adaptation finance needs of developing countries are estimated at USD 215-387 billion annually up until 2030, and that about USD 4.3 trillion per year needs to be invested in clean energy up until 2030, increasing thereafter to USD 5 trillion per year up until 2050, to be able to reach net zero emissions by 2050".

Some of the key paragraphs that were dropped from the adaptation section are found in the finance section, including additional language with regard to the quantum of adaptation finance, such as paragraphs 68, 77, 81, 86, 99 and 100. Read together, these paragraphs relating to adaptation finance highlight the scale of the adaptation finance needs of developing countries (paragraph 68); the efforts of developed countries to make progress in at least doubling adaptation finance from 2019 levels by 2025 (paragraph 77); the widening of the adaptation finance gap (paragraph 81); and hence, the need to significantly scale up adaptation finance beyond merely doubling its level (paragraph 86).

To provide a platform for Parties to check whether adaptation finance is being scaled up and adaptation support pledges are being met, paragraph 99 establishes a high-level ministerial dialogue to be undertaken at CMA 6 in 2024, while paragraph 100 urges developed countries to prepare a report to be considered by CMA 6 on the doubling of their collective provision of adaptation finance to developing countries from 2019 levels by 2025.

On new and additional grant-based and highly concessional finance, the language is reflected in paragraphs 69, 83, 86 and 95.

On the role of the private sector, paragraph 70 reads: "Also recognizes the role of the private sector and highlights the need to strengthen policy guidance, incentives, regulations and enabling conditions to reach the scale of investments required to achieve a global transition towards low greenhouse gas emissions and climate-resilient development and encourages Parties to continue enhancing their enabling environments". This was a curtailed version, with language on "policy frameworks" finally deleted from the paragraph.

In response to the G77 and China's call to include loss and damage finance–related paragraphs in the GST decision text's finance section, the Presidency shifted the placement of paragraphs 87, 88 and 89 from the "loss and damage" section of the GST text to the finance section. The G77 and China had called for this in order to make clear that loss and damage finance is part of the overall climate finance package, on the same footing as climate finance for mitigation and for adaptation.

With regard to the big push by developed countries to elevate Article 2.1(c) over Article 9 and overall MOI and support, which had been a heavy focus in the previous iterations, the final text however saw a balance, by limiting text on Article 2.1(c) to only two paragraphs (paragraphs 91 and 92), which may be perceived as a setback for developed countries who wanted to see much stronger language. Paragraph 92 mirrors the decision on matters dealt with by the Standing Committee on Finance (SCF) to continue the Sharm el-Sheikh dialogues on Article 2.1(c) until 2025.

Further, paragraph 90 importantly links Article 2.1(c) to the entirety of Article 2: "Recognizes the importance of making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development for the achievement of Article 2 of the PA and that this goal is complementary to, and no substitute for, Article 9 of the PA, which remains essential for achieving mitigation and adaptation goals in developing countries". (See TWN Update 21.)

Text on the process for determining the new collective quantified goal on finance (NCQG) is reflected by paragraphs 93 and 94, with paragraph 94 pointing to the evolving needs of developing countries: "Also recognizes that the deliberations related to the scale and elements of the NCQG on climate finance could take into consideration the urgent need to, inter alia, support implementation of current NDCs and national adaptation plans, increase ambition and accelerate action, taking into account the evolving needs of developing country Parties, and the potential for mobilizing finance from a wide variety of sources, instruments and channels, recognizing the interlinkages between the different elements of the NCQG…". (See TWN Update 22 for further details.)

Also significant is paragraph 97, which establishes a "dialogue on implementing the GST outcomes". Under paragraph 98, this dialogue "will be operationalized starting from [CMA 6 in 2024] and conclude at [CMA 10 in 2028]", and the Subsidiary Body for Implementation (SBI) is requested to "develop the modalities for the work programme at its sixtieth session (June 2024) for consideration by [CMA 6]".

The inclusion of this dialogue within the GST decision's finance section means that it is intended to provide a dialogue platform after the first GST that will focus on the implementation of the long-term finance-related operational outcomes of the GST (such as paragraphs 71, 72, 73, 74, 76, 77, 78, 80, 82, 83, 85, 86, 88, 89, 90, 95).

Technology development and transfer; capacity-building

The **G77 and China** proposal for a technology implementation programme made it into the final decision and this is considered a key win for developing countries.

Paragraph 110 reads: "Decides to establish a technology implementation programme, supported by, inter alia, the operating entities of the Financial Mechanism, to strengthen support for the implementation of technology priorities identified by developing countries, and to address the challenges identified in the first periodic assessment of the Technology Mechanism,… and invites the SBI at its sixty-first session (November 2024) to take into account the technology implementation programme in its consideration of the Poznan strategic programme on technology transfer, with a view to recommending a draft decision on the matter for consideration and adoption by [CMA 6]".

On capacity building, the **G77 and China** had called for a capacity-building fund to be established. This was opposed by developed countries who expressed wariness about the establishment of another fund.

To address the concerns raised by developing countries on the lack of financing for capacity-building activities, the Presidency included paragraph 120 in the decision, which "[r]equests the operating entities of the Financial Mechanism and the Adaptation Fund to further enhance support for capacity-building in developing countries and to provide updates thereon in their annual reports to the CMA and encourages Parties to further enhance support for capacity-building, including through international cooperation".

Loss and damage

The operationalisation of the loss and damage fund (LDF) and its funding arrangements are reflected by paragraphs 87-89 in the finance section, as per the call of the **G77 and China** for such placement.

With respect to the substantive content for the loss and damage section of the GST decision, the **G77 and China** had two key demands: one was to strengthen the collection, management, metrics, inventory and reporting of loss and damage–related data and information from Parties, and the other was for the establishment of a standing agenda item on loss and damage under the SBs, the CMA and the COP.

The first proposal was intended to address the information gaps that exist with respect to loss and damage needs that should be addressed through financing from the LDF and technical assistance from the Santiago Network. The second proposal was intended to ensure that the issue of loss and damage would remain a key part of the discussions under the SBs, the CMA and the COP.

Paragraphs 133 and 134 together reflect the G77 and China's proposal to have a strengthened information and data collection, management and reporting framework for loss and damage under the Convention and the PA.

The G77 and China had proposed mandating the Warsaw International Mechanism (WIM) Executive Committee to prepare voluntary guidelines for the collection and management of data and information relating to loss and damage, including the use of common metrics, that Parties can then use voluntarily to include such information in the loss and damage–related section of their biennial transparency reports (see Decision 18/CMA.1, Annex, Section IV.G, paragraph 115).

These paragraphs 133 and 134 can be considered as positive outcomes with respect to loss and damage information collection, management and reporting:

"133. Requests the Executive Committee of the WIM to prepare, building on the work of its expert groups, technical expert group and task force, voluntary guidelines for enhancing the collection and management of data and information to inform the preparation of biennial transparency reports".

"134. Also requests the secretariat to prepare on a regular basis a synthesis report, for consideration by the Executive Committee of the WIM, on information on loss and damage provided by Parties in their biennial transparency reports and, as appropriate, in other national reports under the PA, with a view to enhancing the availability of information on loss and damage, including for the purpose of monitoring progress in responding thereto at the national level".

However, the G77 and China proposal for having a standing agenda item on loss and damage under the SBs, the CMA and the COP did not get reflected in the GST outcome. This, however, according to a senior negotiator from a developing country, does not preclude future proposals for the inclusion of such a standing agenda item or amendment of the existing agenda item relating to the WIM to be broader in scope so as to include continuing consideration of the implementation of loss and damage–related decisions and work such as the LDF and the Santiago Network.

Response measures

Reference to "unilateral measures" in the context of Article 3.5 of the Convention, which had survived until the 8 December third iteration text, was ultimately dropped from the section on "response measures" due to opposition from the developed countries, but was reflected in the section on "international cooperation" (see below).

On linkage to the just transition work programme, throughout the evolution of the text, there had been a placeholder signalling that language would be derived from its final outcome. Paragraphs 151 and 152 point to the decision adopted on the UAE Just Transition Work Programme (see TWN Update 19).

The **G77 and China** had called for the development through the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI) of methodologies and tools to assess and analyse the impacts of the implementation of response measures, looking at not only the positive but also the negative impacts. The developed countries had said that there was no need to develop further methodologies or tools, as there were already existing methodologies and tools that could be used.

Paragraph 143 reflects a compromise in that it "[e]ncourages Parties to consider developing, in consultation with technical experts, practitioners and other stakeholders, as appropriate, methodologies and tools, including modelling tools, for assessing and analysing the impacts of the implementation of response measures, with a view to minimizing the negative and maximizing the positive impacts of response measures, with a particular focus on the creation of decent work and quality jobs and on economic diversification".

The decision does not create any mandate for any work to be undertaken with respect to such methodologies or tools through the KCI or for such issues to be discussed either with the Forum on Response Measures or the KCI.

Unilateral measures

The issue of addressing unilateral trade measures in the context of climate change responses was a highly contentious issue, advanced by the developing countries led by the **Philippines** for the **G77 and China** as well as **BASIC**.

The G77 and China wanted such measures to be explicitly referred to as being subject to Article 3.5 of the Convention. This reference now only appears in paragraph 154 under the "international cooperation" section, reflecting to some extent the language of Article 3.5 of the Convention. Paragraph 154 states: "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 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".

Article 3.5 of the Convention reads: "The 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".

According to some legal experts, Article 3.5 of the Convention is a treaty-based normative standard of conduct that Parties to the Convention (and hence the PA) should comply with. Paragraph 154 is couched in operative terms and hence should be read and interpreted as the CMA recognising and bringing into the PA implementation context the provisions of Article 3.5 of the Convention to guide and shape how Parties should act with respect to, inter alia, unilateral trade measures taken to combat climate change.

Guidance and way forward

Keeping this section simple and procedural without any further guidance on the NDCs was a key call from the **LMDC**, **ABU** and the **Arab Group**.

Any linkage to the different workstreams or work programmes, especially to the mitigation work programme (MWP), was also consistently rejected by the **LMDC**, **ABU**, the **Arab Group**, **China** and **India**, as they argued that no new mandates should be created out of the GST outcome, citing paragraph 14 of Decision 19/CMA.1 which states, "Emphasizes that the outputs of the GST should focus on taking stock of the implementation of the PA to assess collective progress, have no individual Party focus, and include non-policy prescriptive consideration of collective progress that Parties can use to inform the updating and enhancing, in a nationally determined manner, of their actions and support in accordance with relevant provisions of the PA as well as in enhancing international cooperation for climate action" (see TWN Update 19).

However, the section on the way forward now contains, in paragraphs 164-194, a long list of post-GST follow-up activities. These paragraphs relating to specific post-GST activities can be clustered as follows:

- Paragraphs 164-171 – These paragraphs relate to the preparation and communication by Parties of their next NDCs "with an end date of 2035" (i.e., NDCs to cover the period 2031-35, since current NDCs run from 2021 to 2030);
- Paragraphs 172-173 – The submission of the first biennial transparency reports by the end of 2024;
- Paragraph 181 – The conduct of a Subsidiary Body for Science and Technological Advice (SBSTA) expert dialogue on mountains and climate change at SBSTA 60 in June 2024;
- Paragraph 182 – The conduct of an SBI expert dialogue on children and climate change at SBI 60 in June 2024;
- Paragraph 187 – The conduct of an annual GST dialogue starting at SBs 60 in June 2024 on how the GST outcomes are informing the preparation of Parties' next NDCs;
- Paragraph 190 – The holding of a special event under the United Nations Secretary-General's auspices for the presentation of Parties' next NDCs;
- Paragraph 191 – The launching of a set of activities ("Roadmap to Mission 1.5°C") under the guidance of the Presidencies of CMA 5 (UAE), CMA 6 (Azerbaijan) and CMA 7 (Brazil), to enhance international cooperation and stimulate ambition in the next round of NDCs. This paragraph reflects Brazil's "Mission 1.5°C" proposal, which as per the Presidency's understanding was agreed to be addressed under the GST. Brazil had called for it to be addressed under this section;
- Paragraphs 192-194 – These paragraphs lay the groundwork for the start of the preparations for the second GST, including:
  Paragraphs 192-193 – Undertaking in 2024 (commencing at SBs 60 in June 2024 and ending at CMA 6 in November 2024) the consideration of refining the procedural and logistical elements of the overall GST process based on the experience of the first GST, with Parties and non-Party stakeholders being invited to submit information by 1 March 2024 on the experience and lessons learnt from the conduct of the first GST and the secretariat to prepare a synthesis report on such submissions to inform the SBs.
  Paragraph 194 – Lays out the overall timeline for the second GST, with the information collection component of the second GST to commence at CMA 8 (November 2026) and the consideration of outputs component to conclude at CMA 10 in late 2028.

It can be expected that in the coming years, how the GST decision is interpreted and implemented will be a major flashpoint between developed and developing countries, especially in the preparation and communication of the next NDCs in 2025.

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Global goal on adaptation: Framework for Global Climate Resilience adopted

Kuala Lumpur, 27 December (Eqram Mustaqeem) – After 14 days of intense negotiations in the metropolis of Dubai, COP 28 took its final bow on 13 December, finishing one day later than scheduled. While the decision on the global stocktake (GST) took most of the limelight especially in relation to mitigation, less attention was paid to the decision on the global goal on adaptation (GGA), where Parties had struggled to find consensus on the GGA framework, which saw the final text from the COP 28 Presidency coming only hours before the closing plenary, where the decision was finally adopted.

Parties agreed to adopt the "UAE Framework for Global Climate Resilience" (paragraph 6 of the GGA decision) and, in paragraph 7, decided that the "purpose" of the Framework is "to guide the achievement of the GGA and the review of overall progress in achieving it with a view to reducing the increasing adverse impacts, risks and vulnerabilities associated with climate change, as well as to enhance adaptation action and support".

It was also decided that the Framework "should guide and strengthen efforts, including long-term transformational and incremental adaptation, towards reducing vulnerability and enhancing adaptive capacity and resilience, as well as the collective well-being of all people, the protection of livelihoods and economies, and the preservation and regeneration of nature, for current and future generations, in the context of the temperature goal referred to in Article 2 of the PA, should be inclusive in terms of adaptation approaches, and should take into account the best available science and the worldviews and values of Indigenous Peoples, to support the achievement of the GGA" (paragraph 8).

Paragraph 9 of the decision "[u]rges Parties and invites non-Party stakeholders to pursue the objectives outlined … above and to increase ambition and enhance adaptation action and support, in order to accelerate swift action at scale and at all levels, from local to global, in alignment with other global frameworks, towards the achievement of, *inter alia*, the following targets by 2030, and progressively beyond:

(a) Significantly reducing climate-induced water scarcity and enhancing climate resilience to water-related hazards towards a climate-resilient water supply, climate-resilient sanitation and towards access to safe and affordable potable water for all;

(b) Attaining climate-resilient food and agricultural production and supply and distribution of food, as well as increasing sustainable and regenerative production and equitable access to adequate food and nutrition for all;

(c) Attaining resilience against climate change related health impacts, promoting climate-resilient health services, and significantly reducing climate-related morbidity and mortality, particularly in the most vulnerable communities;

(d) Reducing climate impacts on ecosystems and biodiversity, and accelerating the use of ecosystem-based adaptation and nature-based solutions, including through their management, enhancement, restoration and conservation and the protection of terrestrial, inland water, mountain, marine and coastal ecosystems;

(e) Increasing the resilience of infrastructure and human settlements to climate change impacts to ensure basic and continuous essential services for all, and minimizing climate-related impacts on infrastructure and human settlements;

(f) Substantially reducing the adverse effects of climate change on poverty eradication and livelihoods, in particular by promoting the use of adaptive social protection measures for all;

(g) Protecting cultural heritage from the impacts of climate-related risks by developing adaptive strategies for preserving cultural practices and heritage sites and by designing climate-resilient infrastructure, guided by traditional knowledge, Indigenous Peoples' knowledge and local knowledge systems".

In paragraph 10, Parties decided "that the UAE Framework for Global Climate Resilience includes the following targets in relation to the dimensions of the iterative adaptation cycle, recognizing the need to enhance adaptation action and support:

(a) Impact, vulnerability and risk assessment: by 2030 all Parties have conducted up-to-date assessments of climate hazards, climate change impacts and exposure to risks and vulnerabilities and have used the outcomes of these assessments to inform their formulation of national adaptation plans, policy instruments, and planning processes and/or strategies, and by 2027 all Parties have established multi-hazard early warning systems, climate information services for risk reduction and systematic observation to support improved climate-related data, information and services;

(b) Planning: by 2030 all Parties have in place country-driven, gender-responsive, participatory and fully transparent national adaptation plans, policy instruments, and planning processes and/or strategies, covering, as appropriate, ecosystems, sectors, people and vulnerable communities, and have mainstreamed adaptation in all relevant strategies and plans;

(c) Implementation: by 2030 all Parties have progressed in implementing their national adaptation plans, policies and strategies and, as a result, have reduced the social and economic impacts of the key climate hazards identified in the assessments referred to in paragraph 10(a) above;

(d) Monitoring, evaluation and learning: by 2030 all Parties have designed, established and operationalized a system for monitoring, evaluation and learning for their national adaptation efforts and have built the required institutional capacity to fully implement the system".

The decision also affirms, in paragraph 11, "that efforts in relation to the targets referred to in paragraphs 9-10 above shall be made in a manner that is country-driven, voluntary and in accordance with national circumstances; take into account sustainable development and poverty eradication; and not constitute a basis for comparison between Parties".

Whilst there had been clear points of convergence among Parties on various aspects of the GGA framework from the outset of the negotiations, there were also fundamental disagreements between the developed and developing countries – especially pertaining to the inclusion of the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), and Articles 9, 10 and 11 of the Paris Agreement (PA) – which hindered overall progress on the framework. The developed countries made it explicit that the inclusion of these principles and the specific articles of the PA was their red line, while the developing countries made this their top priority. (Article 9 is on the provision of finance, Article 10 on technology transfer and Article 11 on capacity building.) (See TWN Update 15.)

Furthermore, developing countries also called for stronger language on adaptation finance and means of implementation (MOI) that required developed countries to scale up their contributions to developing countries in order to enable the latter to undertake adaptation efforts in response to the worsening impacts of climate change, and that even the doubling of adaptation finance from 2019 levels by 2025 would still not be remotely near the amount of finance needed for developing countries to cover adaptation costs. Such calls, especially those which would impose further public financing obligations on developed countries, were also not agreeable to the latter.

These calls by the developing countries and the opposition to them by the developed countries were amongst the reasons why a text could not be sent by the Chairs of the Subsidiary Bodies (SBs) after the first week of technical discussions in Dubai.

The mandate to produce the text was then given to the COP Presidency, which produced the GGA draft decision text on the basis of inputs arising from ministerial consultations undertaken by **Maisa Rojas**, **Minister for the Environment of Chile**, and **Jennifer McAllister**, **Assistant Minister for Climate Change and Energy of Australia**, as well as from consultations done by the Chairs of the Subsidiary Body for Scientific and Technological Advice (SBSTA), **Harry Vreuls (Netherlands)**, and of the Subsidiary Body for Implementation (SBI), **Nabeel Munir (Pakistan)**.

It was clear that the constant pushback from the developed countries on the inclusion of the principles of equity and CBDR-RC and on the MOI had significantly influenced the outcome on the

GGA. The evolution of text as a result of this pushback can be traced from the original first iteration of the draft text in paragraphs 1 and 2 of the preamble which read:

"Recalling Articles 7, [9, 10, 11] and 14 of the PA…;

[Also recalling relevant provisions and principles of the Convention and the PA, including the principle of equity and CBDR-RC, in the light of different national circumstances.]"

In this instance, Articles 9, 10 and 11 of the PA relating to the MOI together with the entire paragraph that followed which talked about equity and CBDR-RC were bracketed from the get-go, indicating a lack of consensus.

In the final decision text that was adopted, the bracketed text was removed altogether and replaced with the following: "Recalling relevant provisions and principles of the Convention and the PA".

Additionally, the weakening of the language on the MOI is also apparent in paragraph 10 of the GGA decision text adopted, which reads: "Decides that the framework for the GGA includes the following targets in relation to the dimensions of the iterative adaptation cycle, *recognizing the need to enhance adaptation action and support*" (emphasis added).

The same paragraph in the earlier, first and second draft iterations had originally read: "Decides that the framework includes the following targets in relation to the dimensions of the iterative adaptation cycle, *recognizing the importance of and need for enhanced access to and mobilization of support for developing countries, particularly the least developed countries and small island developing States, in this regard*" (emphasis added).

While this earlier version highlighted the importance of the provision of support to developing countries to achieve the targets outlined in the framework, the final text discards this phrase and replaces it with a very passing and general phrase on enhancing adaptation and support.

Despite these setbacks, the strong show of unity in the **G77 and China** bloc on calling for MOI and adaptation finance in particular safeguarded against further compromise of their interests and priorities. Whilst the final decision text does not capture all the recommendations made by developing countries especially to provide long-term, scaled-up, predictable, new and additional MOI to achieve the GGA, it still contains strong language emphasising the obligations of developed countries to provide MOI to the developing countries.

The most notable amongst these is paragraph 32 of the GGA decision text, which reads: "Recognizes that *the extent to which the framework for the GGA is implemented by developing country Parties depends on*, inter alia, engagement and action at all levels, and *the effective implementation by developed country Parties of means of implementation and support commitments*" (emphasis added).

This paragraph had been the subject of a key fight between the developed and developing countries as the former drew a hard line against such MOI language in the GGA, which saw it being bracketed in the first iteration of the draft text and being only an option in the second iteration, but it was successfully included in the final text.

The **G77 and China**, the **Independent Alliance of Latin America and the Caribbean** (**AILAC**), the **Like-Minded Developing Countries** (**LMDC**), **Argentina, Brazil and Uruguay** (**ABU**) and the **African Group** had called for the establishment of a permanent standalone agenda item on the GGA to be carried out jointly by the SBs for further work, to capture the urgency and complexity associated with adaptation impacts and to enable a formal setting to further develop adaptation indicators based on best available science. This was not favoured by the **European Union** (**EU**).

The final GGA decision text, through paragraphs 39 and 40, concluded the matter as follows:

"Decides to launch a two-year … work programme on indicators for measuring progress achieved towards the targets referred to in paragraphs 9-10 above with a view to identifying and, as needed, developing indicators and potential quantified elements for those targets;

Also decides that the … work programme referred to in paragraph 39 above will be carried out jointly by the SBSTA and the SBI, starting after [CMA 5]".

These paragraphs essentially specify that further work will be conducted to assess progress towards the outlined goals in the GGA framework and to identify potential indicators and quantified elements of those targets, which comprehensively captures the views of developing countries with regard to further work on the GGA.

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Call for ceasefire in Palestine at COP 28 G77 leaders' summit

New Delhi, 27 December (Radhika Chatterjee and Indrajit Bose) – The G77 and China expressed its strong solidarity with the people of Gaza in Palestine at the group's Leaders' Summit held on the sidelines of COP 28 in Dubai on 2 December, organised by **Cuba**, the **Chair of the G77/China**. It was the first time in the history of the UNFCCC climate conferences that such a meeting was held.

Several countries in the group condemned the "genocide" being conducted against the people of Gaza, including "thousands of children", by Israel, the "illegal occupier", and called for "peace" and "immediate ceasefire".

In the inaugural session, **Miguel Diaz-Canel**, the **President of Cuba**, expressed support for and solidarity with the people of Palestine, saying that "Cuba is against the genocide in Gaza because of occupation by Israel" and that it would always support legal means for putting the "barbarism to an end". Other leaders too expressed similar sentiments. (See highlights below.)

The summit was attended by 40 developing countries, with around 19 represented by their heads of State. A majority of the leaders who spoke expressed the need for maintaining unity and solidarity amongst developing countries.

Stressing the importance of the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), they commended the establishment of the loss and damage fund (LDF). Laying out their expectations of the global stocktake (GST), they emphasised the need for developed countries to deliver on their obligations and take the lead in dealing with climate change, a crisis to which developing economies "contributed the least" but are "affected the most". Many leaders also stressed that for developing countries, addressing climate change needs to also tackle development and poverty eradication.

Some leaders also emphasised the need for reforming the international financial architecture and addressing the problem of debt burdens faced by developing economies.

UN Secretary-General (UNSG) Antonio Guterres, who also spoke at the summit, called for the provision of an effective debt-relief mechanism that supports payment suspensions, longer lending terms, and lower rates.

Several leaders also pointed out the urgent need to come together against "unilateral measures" like the imposition of "carbon taxes" by developed countries. Acknowledging the inevitable need for moving towards clean energy technologies, some leaders also highlighted that the use of critical minerals and rare earths should happen in a manner that ensures that "the new economy is fairer, more equitable and offers equal opportunity for all".

The **President of Cuba**, in welcoming leaders to the summit, pointed out that the developed world has "carried out unbridled consumption of resources" which is "causing increasing tension". There exists a "huge gap between the opulent Global North and ever poorer Global South", he added. Diaz-Canel said there is a "need for greater emissions reduction and limit global warming by not exceeding 1.5°C", but "regrettably, developed countries do not honour their obligations and don't deal with their consumption. Means of implementation (MOI) for developing countries must be adequate and commensurate with the international agreements."

Reiterating the principle of CBDR-RC and the need for equity, Diaz-Canel said, "We have to ensure that nobody is genuinely left behind. The MOI must be adequate, including financing, which is falling short. The Global South cannot decouple climate action and development. They are inextricably linked."

Antonio Guterres told the group, "Your unity, advocacy and tenacity were essential in securing last year's historic loss and damage agreement." He also said the GST requires actions in three areas to "create the conditions for a surge of global climate ambition in 2025 and beyond".

In the area of finance, he said, "developed countries must clarify the delivery of the $100 billion commitment. We need also to see a clear plan to double adaptation finance to $40 billion a year by 2025 as a first step to devoting at least half of all climate finance to adaptation. Up to eighteen times more finance is needed for adaptation to meet the current needs of developing countries". The situation is the same for the new LDF, he said further.

Highlighting the issue of reforming the international financial architecture, Guterres said it "must be reformed to reflect the realities of today and to respond to developing countries' needs including in relation to the Bretton Woods system. The international financial system must provide an effective debt-relief mechanism that supports payment suspensions, longer lending terms, and lower rates". "All international financial institutions must align their policies, plans and programmes with the Paris Agreement (PA)," he added.

For multilateral development banks, Guterres said their capital base should be increased. He said there has to occur a "reform of their business models so that they leverage far more private finance at reasonable cost to developing countries". He also shared that "grants and concessional finance are essential for leveraging private finance at scale".

The second area where action is needed is a drastic reduction in emissions. Reflecting on the seriousness of the situation, he said, "Current policies would take us towards a 3°C rise in global temperature. That spells disaster, particularly for developing countries."

Regarding the urgent need for deploying clean energy technologies, he stressed that "the extraction of critical minerals for the clean energy revolution – from wind farms to solar panels and battery manufacturing – must be done in a sustainable, fair and just way … We cannot repeat the mistakes of the past with a systematic exploitation of developing countries reduced to the production of basic raw materials".

Guterres also announced the establishment of the Panel on Critical Energy Transition Minerals, which he said "will bring together governments, international organisations, industry and civil society to develop common and voluntary principles to guide extractive industries in the years ahead in the name of justice and sustainability". "The G77/China [have] to keep pushing for the change our world needs," he added.

Dr. Sultan Ahmed Al Jaber, the **COP 28 President,** of the **United Arab Emirates**, congratulated Cuba and the group for holding the summit and appreciated its unity. Sharing his expectations for the GST, he said, "We want a just energy transition – one that is orderly and is responsible and leaves no one behind. We want this transition with equity in its heart. A transition that will deliver tangible results and solutions." He added that action is needed "at every step to restore trust, whether it be in mitigation, adaptation, MOI, including finance".

Highlights of selected interventions

Riyad al-Maliki, **Minister of Foreign Affairs and Expatriates of the State of Palestine**, reiterated the need for maintaining the principles of equity and CBDR-RC within the UNFCCC, "while recognising the need for an effective and progressive response to the threat of climate change based on the best available scientific knowledge and in the context of sustainable development and efforts to eradicate poverty".

Drawing the group's attention to the suffering of the people of Palestine, al-Maliki pointed to "the absolutely devastating environmental situation our people face in the Gaza Strip due to the ongoing genocidal war waged by Israel, the illegal occupier, against the Palestinian people. As you know, the illegal occupier has been waging a criminal war against our people for nearly two months, which has claimed the lives and limbs of tens of thousands of innocent Palestinian civilians – most of them women and children. This atrocious campaign of death and destruction has also obliterated at least 60% of the buildings in Gaza, including universities, hospitals and hundreds of schools, and decimated the infrastructure, causing untold damage to the already fragile ecosystem there and further contaminating underground water supplies. Large swaths of land have been scorched and turned into desolate wastelands".

"Equally condemnable and criminal is Israel's widespread, systematic, and illegal use of various munitions against Palestinian civilians, including white phosphorus against densely populated areas in the Gaza Strip. This highly toxic and destructive chemical will have long-term environmental effects on Gaza as well as health implications for the population. In this connection, I urge you to support Palestine's efforts to secure an immediate end to this illegal aggression as well as our continuing endeavours to seek accountability for the crimes committed against the Palestinian people, including this criminal and environmentally hazardous crime. Palestine will also seek your support in commissioning a detailed study of the environmental impact of this egregious war and international support in repairing the extensive environmental damage caused by it."

Luiz Inacio Lula da Silva, the **President of Brazil**, addressing the UNSG in the context of the ongoing "genocide" in Gaza, said the UN needs to dedicate "more effort to manage to reach an agreement. It should take an attitude that either we change the UN Security Council or we add more members so that responsibility prevails. We are very much bothered. We should stop the war and save lives instead of destroying lives".

Laying out the role that the G77 and China have to play in the current world, he said, "In the context of growing geopolitical fragmentation, G77 must be the guardian of multilateralism." Referring to the discussions on transition, Lula said, "There are many models towards a decarbonised world. Fair transition cannot leave us as mere exporters of raw materials. It must allow us to transform and leverage industrialisation."

He further highlighted that "unilateral measures show the hypocrisy of the rhetoric of free trade and the burdens being transferred to the Global South. We, the most affected by climate change, are being punished twice". Expressing the need for working towards justice, Lula said the "Global North should shoulder the responsibility". He drew attention to the fact that developing countries need "$4-6 trillion to implement their nationally determined contributions (NDCs)".

Referring to the World Bank and the International Monetary Fund (IMF), the Brazilian President said the problem with these financial institutions is the limited number of seats that developing countries have on their boards. "Developing countries do not manage to access money because of bureaucratic mechanisms."

Lula added, "We need to have fair institutions and find solutions to tax evasion, a problem which currently favours the super-rich. It is not possible to postpone the discussion anymore. We have to reduce inequalities or we will stay behind if we don't advocate for resources."

Cyril Ramaphosa, the **President** of **South Africa**, in a strongly worded statement expressed solidarity with the people of Palestine, the "people who are now being subjected to acts of genocide". "More than 4,000 children have died and many more have war wounds inflicted on their fragile bodies. People in Palestine, particularly in Gaza, need to live in peace. We are demanding ceasefire now, to stop the slaughter of people in Gaza."

Speaking about the challenges of climate change, Ramaphosa said for developing countries, "transformative climate action is taking place alongside our efforts to eradicate poverty and inequality". Developing countries should "coordinate their positions for the "transformation of global financial architecture and reform of multilateral development banks, so that they can support sustainable development where it is needed the most". He stressed that developing countries should also "forge a united platform against unilateral coercive and trade-distorting measures under the guise of climate action, including carbon taxes that have the effect of reversing climate finance flows to the Global North".

Referring to climate justice, the South African President said it is "premised on each Party having the sovereign right to choose its own developmental path of shared objectives. This speaks to the right of developing economies to developmental space. Since developing economy countries are least responsible for the climate crisis, but most affected, it is critical that enabling MOI support is provided by developed economies".

Speaking in the context of clean energy technologies, Ramaphosa said "exporters of strategic minerals and rare earths required to drive green development need to work together to ensure that the new economy is fairer, more equitable and offers equal opportunity for all. Our natural resources need to advance the sustainable development of our people".

He pointed out that there is a "need to reframe the climate action narrative to better address realities of developing countries with a view to giving appropriate recognition to their rights and to acknowledge their contributions to the global fight against this existential threat."

The **President of Colombia**, **Gustavo Petro**, called for a debate on structuring a new international financial system to deal with the climate crisis. He said "a pact between poor countries, between middle-income countries and between rich countries and China is required, around how the world financial system is structured in order to finance the great Marshall Plan to solve the crisis". Elaborating on what this might entail, he said, "With China we would have to dialogue within the IMF, within multilateral development banks, about how to reduce the debt of States. Without that, we will not have the capacity to finance the transition. It is not by putting a begging hat on the richest funds of capital that we are going to finance it."

Petro stated that the energy transition would require a much larger amount than the $100 billion annually that was promised by developed countries, adding that what is required is trillions of dollars. "This enormous amount has to come from public funds, but for those public funds to exist, we have to get rid of debt and this means that there are many mechanisms or issuances of IMF special drawing rights for that purpose," he asserted. Another mechanism that he proposed for raising climate finance was of implementing a universal tax on "the global carbon trade, that is, on oil and coal".

Xiomara Castro, the **President of Honduras**, speaking through a representative, emphasised the need for protecting tropical forests, indigenous peoples and their livelihoods. She called for measures like "environmental direct investments" and for regulations aimed at "use of seeds" and for preventing "over-exploitation of ocean resources". She also called for the implementation of the UN Convention on the Law of the Sea to "conserve marine biodiversity beyond national jurisdictions". She pointed out that "we need to sharply bring down consumption levels in developed economies … and address environmental impacts of their consumption. Those who bear global responsibility of the problem must shoulder the responsibility of addressing the problem".

Mia Amor Mottley, the **Prime Minister of Barbados**, stressed that the "climate crisis demands from us justice in allocation of resources; justice in recognising that countries that did not cause the climate crisis are being forced to expand their debt space. We have to rather focus on the development of people".

She laid emphasis on two main directions in which work is needed. The first is the need for the G77 and China to "unite" for "a global methane agreement". She pointed out that methane is the biggest contributor to heating that the world is witnessing. There is therefore a need for a transformation in "not just the oil and gas industry, but also the farmer sector and agriculture".

Second is the need to reform the international financial architecture. Citing the Bridgetown Initiative, the Paris pact and the Marrakesh agreement, Mottley said "all speak to the need for reform of an unjust financial system. We need long-term capital that is affordable". "We have started to capitalise the LDF but it is unlikely to meet the needs of those who need it most unless we recognise a significant part of the global capital is controlled by those few who do not require to contribute to the fund."

She also highlighted the need for raising funds for adaptation. She said "every dollar of investment saves $7 of damage. We need to shift from the valuing of short-term capital and secure long-term capital at affordable rates".

Recalling the challenges faced by the industrial world in the aftermath of World War II, Mottley said at that time the industrialised countries "provided the necessary funds by translating bonds that could finance for the war and postwar reconstruction. They paid off those bonds only in 2014. Even industrial countries needed that kind of capacity to stretch out capital it borrowed; imagine how much developing countries need".

The biggest concern for developing countries is that they "will become un-investable", said Mottley, which would "bring another set of consequences" that developing countries are not prepared for. What is needed is to bring "creditors, bankers, and credit rating agencies at the table. If they are not at the table, what will happen to the insurance sector?" she asked. Stressing the magnitude of the crisis of climate change, she emphasised the need for peace. "War," she said, "should not be against human beings, whether in Africa, Eastern Europe or the Middle East. We need all hands on deck to win the war against climate change. We have to remove the distractions and get back to the business of saving the planet."

Reiterating its solidarity with the G77, **Ding Xuexiang**, the **Vice Premier of China**, said, "As the largest developing country in the world, we stand with the developing world side by side." Sharing some highlights of the role China has played in supporting the developing world, he said, "We have assisted other developing countries in tackling climate change. We have made solid efforts to promote South-South cooperation under the Belt and Road Initiative. We have set up the South-South Cooperation Fund." Stressing the need for safeguarding multilateralism, he said, "We oppose unilateralism and bullying that uses green development as a pretext. We promote equity, justice and urge developed countries to honour their obligations."

David Choquehuanca Céspedes, the **Vice President of Bolivia**, speaking for the **Like-Minded Developing Countries (LMDC)**, in a scathing statement said, "There is a lack of leadership from developed countries and a lack of ambition in reducing emissions on their part. They also have fossil fuel expansion plans up to 2050. If developed countries want to fight the climate crisis, they cannot hope to achieve net zero by 2050. They must do so now for an equitable sharing of the global carbon budget." He stressed that "it is the developed countries who are responsible for jeopardising the planet", but now they are "always seeking to erode the fundamental principles of CBDR and equity".

Cedric Schuster, the **Minister of Natural Resources and Environment of Samoa**, speaking for the **Alliance of Small Island States (AOSIS)**, said the main priority for the island nations is a hope to "achieve stronger, bolder climate action". Speaking about climate finance, he said, "There is a different nature of financial flows, to this end, we are advocating for sub-goals on mitigation, adaptation, and loss and damage within an overarching goal for greater transparency and accountability." He stressed that "higher ambition on mitigation coupled with support for adaptation will get the world to 1.5°C goal". The world "must see strengthened commitment from major emitters".

Calling for a "phase-out of fossil fuels" as opposed to a business-as-usual approach, he also highlighted the provisions and principles of the PA and stressed the need for "setting renewable energy capacity by 2030, with clear signals to markets". These, he said, cannot happen without "stronger commitment to fossil fuel phase-out". He emphasised the need "to move faster to climate-resilient societies". To achieve this, countries "must lean on international cooperation to pave the way for these development pathways", he added.

Marco Vinicio Ramano, Vice Minister of Natural Resources and Climate Change of Guatemala, speaking for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, echoed AOSIS. He also added that the GST should limit climate finance flows in the form of debt, pointing out that "the topic of financing is at the heart of implementation of climate action".

Stanley Kasongo Kakubo, Minister of Foreign Affairs and International Cooperation of Zambia, speaking on behalf of the **African Group**, highlighted the difficulties faced by the African countries. He said, "Most of us, especially in the African region, despite contributing least to climate change, are disproportionately affected by it. Floods, droughts, storms are affecting our crops and their productivity, directly leading to poverty and hunger, especially in the Sahel region." Stressing on the need for recognising "the special needs and circumstances of African countries", he said that some measures that should be focused on include: "Implementing policies and supporting techniques that lead to the adoption of climate-resilient food systems; adopting water harvesting methods and promoting efficient way of utilising scarce resources; using geographic mapping systems to map out droughts and floods; and green finance sector investments to support financing and enable resilience".

Jalil Abbas Jilani, **Minister of Foreign Affairs**, **Pakistan**, said that it was through unity and solidarity that "our predecessors succeeded in establishing principles of equity and CBDR-RC in the UNFCCC. Now we have to bring similar solidarity and unity to achieve objectives in adaptation, mitigation, and loss and damage". He also said that the G77 and China must work together to reform the international financial infrastructure, and seek special drawing rights and debt swaps. He urged developed countries to "act on their commitments made in the PA, Glasgow, and Sharm el-Sheikh". Speaking about climate finance, he said "concessional climate finance must be leveraged to mobilise $1 trillion in investments". He also stressed on the "transfer of technology from developed to developing countries".

Celinda Sosa Lunda, the **Minister of Foreign Affairs of Bolivia**, highlighting the need to respect the rights of indigenous peoples, said, "In Bolivia we learn from our peoples to preserve and strive for a harmonious life with nature, we reclaim all this knowledge, and we encourage that the visions to overcome the current climate crisis are thought from these perspectives that respect ecosystems and that generate collective thinking."

Speaking through a representative, the **Prime Minister of Uganda**, **Robinah Nabbanja**, who will assume the Chair of the G77 and China in 2024, said the climate crisis the world is facing currently can only be addressed through actions that are aimed at achieving the "objectives of the Convention and the principles of equity and CBDR-RC, in light of different national circumstances". Commending the establishment of the LDF, she said it "should support programmes that address economic and non-economic loss and damage on any affected aspect of human and natural systems. There must be simplified and active access to funds to ensure that no developing country is left behind". Regarding climate finance, she said, "The new collective quantified goal on climate finance should be informed by lessons on the $100 billion goal annually, including the failure to mobilise the goal. We have to think about the quantum and timeframe of the goal, define the qualitative and quantitative elements, identify the various instruments, and will be a part of the dynamic contributor base." Uganda, as the next Chair of the G77 and China, also called for strong participation of all countries in the summit it will be hosting in Kampala on 21 January 2024.

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Distribution of the remaining carbon budget must be the basis of climate talks

Kuala Lumpur, 27 December (Hilary Kung) – Experts from developing countries have pointed out that the focus of climate talks must be on how the remaining carbon budget is distributed between developed and developing countries based on equity and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC). They also revealed the inequity of the global mitigation targets adopted from the scenarios of the Intergovernmental Panel on Climate Change (IPCC).

This was stressed by **Dr. Tejal Kanitkar** from India at a side-event held on 1 December, co-organised by the Third World Network (TWN) and the government of Bolivia, during the recently concluded climate talks in Dubai.

The event was moderated by **Meenakshi Raman**, Head of Programmes of TWN, and was joined by Kanitkar, an associate professor from India, **Diego Pacheco** from Bolivia, who is also the spokesperson for the Like-Minded Developing Countries (LMDC), **Professor T. Jayaraman**, a senior fellow at the M.S. Swaminathan Research Foundation (MSSRF) in India, and **Andres Mogro**, an expert on climate finance from Ecuador.

In her presentation on "Deconstructing the global mitigation targets and enabling global just transition", Kanitkar said the carbon budget is the best available science which should be the global collective goal, not the "reduction in greenhouse gas (GHG) emissions by 43% by 2030". How to distribute the remaining carbon budget based on equity and CBDR-RC should then be the focus of the climate talks, she added.

Explaining further, Kanitkar said developed countries refused to speak about their overuse of the global carbon budget and historical responsibility; instead, they focus on targets like: (a) reduction of emissions by 43% by 2030 (based on 2019 levels); (b) peaking of emissions by 2025; (c) global net-zero emission by 2050; (d) tripling of global renewable energy (RE) capacity by 2030; and (e) doubling energy efficiency by 2030.

(Some of these global mitigation efforts have been accepted in the decision on the global stocktake (GST) adopted at the conclusion of the Dubai talks.)

Said Kanitkar further, "[Y]ou can't talk about the fact that you need urgent action for the 1.5°C limit without talking about why is it that you need urgent action today. We wouldn't have needed urgent action if we weren't at 1.1°C already. So, the fact that you have such little carbon budget left is the reason why we are under so much pressure today."

"It's high time we start deconstructing some of these targets and start talking about what are the real challenges that actually emerge, especially in the context of meeting all of these targets equitably, either in this decade or the next decade or in the foreseeable future," urged Kanitkar.

She explained that the call for "reduction in GHG emissions by 43% by 2030" came from the median value of the global modelled scenarios that have been assessed by the 6th Assessment Report of the IPCC. "There are about 97 scenarios that the IPCC assessed, with a 50% probability, to limit warming to 1.5°C in this century. The median of these scenarios suggested a 43% reduction in GHG emission by 2030. However, these scenarios assume that developing countries have extremely high contribution to mitigation in this decade," she said.

"Sub-Saharan Africa, for example, is expected to reduce emissions by 80% in this decade, whereas North America and Europe are to reduce emissions only by 50%, which is what they've said they would do in their nationally determined contributions (NDCs)," she said.

Kanitkar also said the scenarios assume that "over 70% of the [carbon dioxide] removal is supposed to come from developing countries, largely from Asia and Sub-Saharan Africa". Under the most stringent 1.5°C scenarios, the number of people at risk of hunger is going to increase because of land use conversion from food crops to energy crops (land-based mitigation that is assumed in these scenarios, including carbon dioxide removal through bioenergy, carbon capture and sequestration).

According to Kanitkar, under the IPCC scenarios, Annex I countries are expected to do a 43% reduction and non-Annex I countries a 45% reduction. "What this means is that eventually, developing countries will provide the negative emissions that are required to sustain fossil fuel emissions, oil and gas use in the developed world," she said.

(Annex I Parties to the UNFCCC include the industrialised countries that were members of the Organisation for Economic Co-operation and Development (OECD) in 1992, plus countries with economies in transition (the EIT Parties), including the Russian Federation, the Baltic States, and several Central and Eastern European States. Non-Annex I countries are all the developing countries.)

The alternative scenario constructed by Kanitkar and team, which adheres to the carbon budget of 500 gigatonnes to limit warming to 1.5°C, requires the developed countries to undertake immediate, sustained and rapid reductions right now in this critical decade (to reduce by at least 96%); while the non–Annex I emissions can see a small increase of 9% to 12% (not their fair share but a little more equitable than what the IPCC scenarios say).

In the IPCC scenarios for a 2°C limit, Kanitkar pointed out, the extra budget is also allocated to the Annex I countries. In other words, developed countries get to reduce a little slower; but again, she explained, if we can have Annex I countries reduce more rapidly, there will be a little more room available for non-Annex I countries.

Regarding the peaking of emissions by 2025, Kanitkar again highlighted that "it's only with very high emissions reductions in Annex I countries to reach net zero by the early 2030s that the developing countries get a little bit of room to peak a little later in the early 2030s … If you burden Annex I countries more in these scenarios, developing countries won't have to peak by 2025".

Kanitkar added, "We are scientists in the Global South; whatever it is, even if we're talking about equity, we understand that we need to limit warming. We need to address climate change … and therefore we need to adhere to science, and science tells us that we have a very limited carbon budget … The peaking [for developing countries in the alternative scenario] doesn't get delayed too much beyond 2030."

As for the target of tripling the global renewable energy capacity, Kanitkar said, "The real question to ask is: Where is this capacity going to be built? The electricity demand is highly varied across developed and developing regions. Developed countries don't have very high growth in demand. Developing countries have much higher growth and demand to catch up with their development needs, building infrastructure, building schools, roads, hospitals, housing, etc. All of that requires higher energy. Capital-scarce countries are going to have higher energy demand growth in the near term. If the United States retains its existing fossil fuel capacity, it will require only 26 gigawatts to meet its additional demand. Unless the tripling target goes hand in hand with a phase-out of fossil fuels in the developed countries, a large chunk of the burden of tripling RE capacity is going to fall on developing countries because that's where the new capacity is going to be needed."

Finally, on the target of doubling energy efficiency by 2030, Kanitkar explained that energy efficiency is typically calculated at the firm level, but at the national level, the proxy that is used is the energy-to-GDP ratio.

Using the example of the US, Kanitkar pointed out that the reduction of energy intensity by 58% in the US between 1965 and 2018 was partly due to the movement from manufacturing to the services sector and improved technology. "But their fossil fuel carbon dioxide emissions have increased by 58% in this period. So energy efficiency target doesn't guarantee a reduction in emissions … our main target has to be emissions reductions [and] a doubling of energy efficiency really doesn't guarantee this."

In addition, she said, "Countries tend to have a higher and increasing trend in energy efficiency or energy intensity at a certain stage of development. When you have small and medium enterprises (SMEs), for example, it's much harder for SMEs to achieve energy efficiency or harder for them to use new technology and improved technology. You will have capital constraints. But once you achieve [economies of] scale, it becomes easier. So, the question remains, again, who is going to be burdened? If those with currently high levels of energy intensity, are they going to be expected to do more to achieve this energy efficiency target? This means, for example, SMEs are going to find it much more challenging. So, there are actual implementation challenges of these targets, [though] they might look great on paper."

Kanitkar also highlighted the significant lack of effort in the decades between 1990 and 2020. Annex I countries emitted 47% total GHGs (without Land Use, Land Use Change and Forestry – LULUCF) between 1991-2020 when they were supposed to take the lead in mitigation after the adoption of the UNFCCC, and this is why developing countries speak about the pre-2020 pledges and gaps.

Further, she said, "The Annex I Parties which constitute about 19% of the global population are responsible for 68% of the historical carbon emissions, whereas the non-Annex I Parties which are 81% of the global population are responsible for only 32% of the historical emissions till 2019. [But] the historical shares are not stated as clearly in terms of developed and developing countries because you have developed countries refusing to speak of developed and developing countries. They want to break down this differentiation and not speak about the Convention that talks about this differentiation."

Need to take into account historical emissions

Professor T. Jayaraman said "the PA did not start from just nowhere", explaining that "the stark fact is that 1.1°C of warming above pre-industrial levels has already taken place, and this is more than two-thirds of the way to the 1.5°C limit. So, if you want to come and talk about the implementation of the PA, who is responsible for this 1.1°C warming?"

Pointing to efforts to blame developing countries for the climate crisis and referring to the idiom "the straw that broke the camel's back", he said "the camel is overloaded [in the first place] and then that last straw that is put breaks the camel's back – do you say, well, that straw is responsible [for the break]?"

The first thing for the GST to acknowledge, stressed Jayaraman, is the pre-2020 gaps (in implementation), CBDR-RC and historical responsibility.

Elaborating further on the GST and its "ratcheting ambition", he noted, "The assumption of the narrative is that developed countries are doing things quite well in the right direction and that developing countries are required to have more ambition, and that we have to do whatever you [developed countries] are doing." However, he said "we must assert in the GST that the forward-looking vision must be [based] on the vision of developing countries, the way they want to develop, and we must be free to pursue low-carbon development based on a fair share of the carbon budget".

"The other thing we need to do … is turn our attention to adaptation … We need to adapt. What we cannot do by way of adaptation will result in loss and damage," said Jayaraman further.

Expressing his frustration with adaptation finance, he said, "Adaptation is the first and foremost necessity." However, "we have turned our backs on adaptation … Adaptation finance used to come from the proceeds of the Clean Development Mechanism … So, it is our money earned through carbon credits in terms of the Kyoto Protocol arrangements that provided for adaptation", he said, calling this "a joke".

Commenting on the use of the term "transformational adaptation" in the discussions on the global goal on adaptation (GGA), Jayaraman said if one looks up the definition of transformational adaptation in the IPCC, it tells us to be prepared to "change the social and economic structures of society to respond to climate change". He questioned this, saying that "South Asia only has 4% of global cumulative emissions with 17% of the population" and that "if developed countries had the same per capita emissions as South Asia, we wouldn't have a climate crisis at all". Yet "developing countries are being asked to change our society, our social and economic structures, our social arrangement in order to cope with the emissions from the developed world".

He added that there is not enough of the global carbon budget left and also not enough money for the developing countries, and so, there is no need to talk to developing countries about transformational adaptation.

On maladaptation, Jayaraman said he and his team have been analysing all the examples in the IPCC and will publish a report shortly. "[W]hat is the definition of maladaptation?" he asked. "Does it mean no increase in emissions? So how do I build houses to protect people from extreme weather if I cannot have any emissions at all, when using concrete?"

He concluded by saying that "we need a sensible and equitable just framework, a non-prescriptive, Party-driven, Party-implemented process that promotes adaptation across the world backed by adequate provision of finance, technology and knowledge, which is very important, and the capacity to cope with the future”.

Commenting on developed countries refusing to talk about the Convention, he said that “in fact, to be a member of the PA, you have to be a signatory to the Convention”.

Erosion of equity and CBDR

Diego Pacheco spoke about the UNFCCC which some 30 years ago established the legal obligations and commitments of countries to resolve the climate crisis. The developed countries have obligations to reduce GHGs and to provide finance to developing countries to address the climate crisis, while developing countries were invited to make all the needed efforts to combat the climate crisis but contingent upon the provision of finance, technology transfer and capacity building. “[But] developed countries started challenging the Convention and the understanding of the Convention on how to deal with the climate crisis,” he said.

Pacheco recalled how the Like-Minded Developing Countries (LMDC) group was formed in 2013 and how it engaged fully towards what is now called the Paris Agreement. He also recalled attempts made in Glasgow in 2021 at COP 26 to dilute and rewrite the PA, which were resisted by developing countries.

Pacheco questioned the push for global mitigation targets, like “peaking by 2025 for all countries” and “reduction of emissions of 43% by 2030”, which are not in the PA but which only maintain global inequalities, widening the gap between North and South. “That’s why the LMDC has been defending the principles of equity and CBDR-RC,” he said. “It’s not new, and the principles are in the Convention and in the PA.”

Pacheco remarked that “we now have developed countries saying that more capitalism is the solution to solve the problems that stem from capitalism, that more markets are the solution to solve the problems that stem from markets, and that more inequality is the way forward to solve the problems of inequality in the world. That means deleting and eroding the principles of equity and CBDR, [which] means having a scenario with no equity in the world. And that’s the solution to solve the problems of the climate crisis!”

He explained that “Bolivia worked hard in having Article 6.8 on non-market approaches in the PA” and “we are still waiting and fighting for having direct access to the [resources of the] GCF [Green Climate Fund]”.

He said that “we are very tired of waiting, but we need finance in order to deal with the climate crisis, and we need more justice in the world”. He added that “we are going to continue fighting for the implementation of the PA, and in each COP, we are going to continue fighting for implementing the PA and the Convention, which means achieving some climate justice in the world”.

Climate finance ought to be new, additional and non-debt-creating

Andres Mogro said that in official terms, climate finance refers to the financial resources that are flowing from developed to developing countries for climate action and commitments coming from developed countries to provide new and additional financial resources to meet agreed full costs incurred by developing countries. However, he said, “new and additional” has always been a difficult concept to negotiate because it implies not duplicating resources that are already being reported elsewhere.

Commenting on the newly operationalised loss and damage fund (LDF), Mogro warned that “pledges are not actual deposits into the fund [and] we’ve had pledges in the past that have been outstanding forever, like the pledge of the US to the GCF [where the first pledge by President Obama has not been fully realised]”. “But the bigger issue for me in the LDF,” he said, “has to do with governance and with the capacity of the fund to improve its access to local communities.”

On the new collective quantified goal (NCQG), Mogro said it is a decision from the PA to have a process to set up a new goal on climate finance. “New” implies a goal that would supersede the goal of $100 billion a year by 2020 (which has now become $100 billion a year by 2025, and it is still not met).

He said, “The new goal opens up conversations on two things: quantitative issues and qualitative issues. The quantitative issues come from official sources like the biennial transparency reports next year, but we do have a report from the Standing Committee on Finance (SCF) assessing the financial needs of developing countries to implement their NDCs. The SCF report speaks of a value between $5 and 11 trillion [needed by developing countries], which is about $400 to 500 billion a year.”

Even more important, Mogro said, is the quality of finance. "Over 90% of finance goes to mitigation" and "the same number is reimbursable [because] it's external debt; so we're quantifying the outflow of those resources to developing countries but we won't [be] quantifying the inflow back into developed countries. That brings out a bigger question as to who is paying for climate action worldwide, when most of the climate finance that is being channelled is debt, and we're having a new wave of external debt in developing countries right now from climate action."

On Article 2.1(c) and the role of the private sector, Mogro commented that the private sector will only finance things where it can get financial revenue, otherwise it will not be involved; in adaptation, it is much more difficult to get revenue than in mitigation. (Article 2.1(c) deals with the goal of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".)

He said further that "we should have all of our investments be as green as they can, but if we end up counting for all of that and putting a number on Article 2.1(c), then if it's the same number as the NCQG … we're just doing an accounting game … We, developing countries, are the ones paying for climate change, are the ones acquiring debt and developed countries are just washing their hands of everything that we've agreed to".

The recording of the above side-event can be accessed here.

"Global climate targets: Peaking, emissions reduction and renewable energy", a briefing paper by T. Jayaraman and Tejal Kanitkar, is available here.