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4

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

Bonn, 20 June (Radhika Chatterjee) - Discussions on the modalities of the 'UAE dialogue' being held under the UNFCCC's Subsidiary Body of Implementation (SBI) saw a significant lack of agreement over what should form the starting point of negotiations at the climate talks being held in Bonn, Germany, since informal consultations began on June 18 and 19.

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

Since last year, negotiations have proven very controversial and difficult with persistent divergences over the "scope" of the dialogue – notably, whether the focus should be on implementation of the "finance" related elements of the GST outcomes or whether there be a wider focus covering implementation of "all elements" of the GST outcomes, mainly driven by developed

countries who want a focus on "paragraph 28" of the GST decision containing the language on "transitioning away from fossil fuels".

At CMA 6 in Baku, the draft decision text proposed by the Presidency (referred to as L.21) for final consideration, did not see consensus. This was so, despite protracted negotiations that saw huge concessions by some Parties to accommodate the broad scope to "consist of parallel tracks on the implementation of the outcomes of the first GST, covering mitigation and adaptation, as well as the identification of opportunities in finance, capacity-building, and technology development and transfer as key enablers". The delicate draft decision proposed was rejected by some Parties led by developed countries at the closing plenary due to the absence of any reference to the preparation of an "annual report" in the decision text, which proponents saw as a means of "tracking" the implementation of the GST outcomes. particularly the implementation of "paragraph" 28" of the GST decision. See this TWN update for details].

At the current Bonn session, at the informal consultations co-facilitated by Ricardo Marshall (Barbados) and Patrick Spicer (Canada), the Like - minded developing



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countries [LMDC], the Arab Group, India and China expressed regret that Parties could not adopt the draft decision on this matter in Baku as it was rejected by some Parties during the closing plenary of the CMA. On the question of scope of modalities of the UAE dialogue, they said tracking finance related outcomes was a central objective of the UAE dialogue, and stressed the need for having an open mind for considering additional inputs for beginning the discussions at the current Bonn also emphasized session. Thev that implementation of the GST outcome should respect the nationally determined nature of nationally determined contributions (NDCs) of Parties.

Most developed countries like the European Union (EU), Environmental Integrity Group (EIG), United Kingdom (UK), Norway, Australia, Japan and South Korea said they want to consider the Baku draft decision text as the starting point for negotiations at this SB session. In terms of scope of the dialogue, they said the focus should be on tracking the implementation of all outcomes of the first GST including on mitigation, adaptation, and finance. Similar views were expressed by some developing countries like the Independent Alliance of Latin American and the Caribbean Nations (AILAC), Alliance of Small Island Developing States (AOSIS) and the Least Developed Countries (LDCs).

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

Saudi Arabia for the LMDC, said that despite the hard work put in by Parties in Baku, the final text presented was rejected. It said the entire GST text was presented "in the wider context of a package of the final outcome in Baku. A lot of elements of the text were balancing the general outcome we had in COP29." It also said that it was important to discuss and reflect on why we are in this position now where we actually could be having a UAE dialogue in this session, had the Baku decision been adopted. It said further that "no matter how many times we have this discussion, some boundaries will not change; some parameters contradict the basic architecture of the Paris Agreement [PA]. We

will not accept the dialogue which tracks [all] the outcomes of the GST and impacts the nationally determined nature of NDCs."

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

Qatar for the **Arab Group** said that it is very difficult to jump into negotiations without a "shared understanding of the process." It said further that it is "open to using the Baku text as one input to the way forward. We made a lot of compromises [in Baku] [but] it was blocked by some. Now we cannot use that text as the sole text, but earlier iterations and versions of that text and other relevant documents should be considered as inputs." It also said that the UAE dialogue should be aligned with the principles and provisions of the PA.

India said "we cannot help but recall the very difficult passage we had in week one at Baku" recalling that "it was a difficult week of intense negotiations, and the room was very divided on what the dialogue was supposed to be about, and what the scope of the decision was to be about. Referring to paragraph 97 of the GST outcome through which the UAE dialogue was established, it said the paragraph "referred to issues of finance which have played such a central role in the implementation of the PA... To other Parties it was not. For them it was an invitation to a mini-GST (process)." It said further that it was clear that there was no convergence on the UAE dialogue among Parties" and that in this context, it was surprised by those calling for a particular text as which it said was "extraordinarily premature," adding that "we need to discuss and go back to the drawing board." It reiterated that "there is no room for scope under the PA to create a forum for the implementation of the GST outcomes. The GST's role is to inform Parties for their next NDCs. There is no provision for collectively [dictating] measures based on findings of GST. Whatever

BONN NEWS UPDATE NO.4 20 June 2025

dialogue we construct around this effort by Parties must adhere to within this precise scope that is laid out by the PA."

China expressed regret that Parties could not achieve a conclusion on the UAE dialogue discussions at COP29 despite the "immense efforts". It said "ultimately a balanced package was presented" and "some Parties had demonstrated significant flexibility and compromised a lot in pursuit of a decision" but "it was rejected unfortunately by some at the plenary." It said further that "this Bonn session offers us new opportunity and we should collectively reflect on why failed last year and how we can proceed differently this year" adding that "it is too early, [and] too premature to discuss what kind of text should be the specific basis [for starting discussions at this session]." It said, "we must create space for Parties to discuss new contents and issues that have emerged (since then) like unilateral measures, the US\$1.3 trillion goal, and other finance issues." Regarding the focus of the dialogue, it said, the dialogue should be about finance "and how to implement finance related outcomes of GST" and how to address the needs for implementing NDCs of developing countries. It is crucial for us to know that the UAE dialogue is not the vehicle for implementation of GST outcomes." It said the UAE dialogue should be designed to facilitate discussions on "how to attract the financial means."

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

AILAC said that in the spirit of compromise it would be willing to work with the Baku text, especially the modality section as the starting point for discussions. It added that finance should be at the "heart of implementing GST outcomes." It said that the reports of the dialogue should be considered by the CMA with a focus on finance and gaps in action and implementation. It explained that it could not accept the Baku text at COP29 "because of missing elements" and proposed a discussion at Bonn on those missing elements. It

said the focus of the UAE dialogue "is to identify challenges of implementation" and track "collective progress of implementation of GST outcomes". Among the missing elements was the need for a "summary report" of the dialogue.

Maldives, for the AOSIS said that though some Parties have expressed openness for using L.24 document from Baku as a basis for discussions in Bonn, "several concepts within it will require further unpacking." It said it was ready to work on it and that there were important elements that were missing from it. It mentioned the need for having a "follow up mechanism" and "clarity on outcomes of this dialogue" as being "essential" for taking forward the outcomes.

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

The **EU** said implementing the first GST decision was a key aspect of the PA and that the UAE dialogue should reflect progress of all collective efforts and that having "a strong outcome" on UAE dialogue was essential to the group. Further it said it did not aim at "setting new targets" through the dialogue. To operationalize the dialogue, it said it considered the modality section of the L document of Baku as a starting point. It said the UAE dialogue should reflect on the progress on implementation of the first GST. It said the reports of the UAE dialogue would inform the second GST to ensure that the decision is "guided by the lessons learned from the implementation of GST1". It said it would like to see the dialogue established this year with the first dialogue held in Belem, Brazil and asked the co-facilitators to put together a draft text for further discussion.

Switzerland, for the **EIG** said that the GST outcome of COP28 "historic" and that it would work to ensure that the UAE dialogue becomes a space "to track collective progress" for the implementation of the GST outcome. Expressing disappointment with the lack of a decision on UAE dialogue in Baku, it supported building on the work done in Baku. It

BONN NEWS UPDATE NO.4 20 June 2025

said it had opposed the draft text in Baku at the last hour because it felt that text would have made the UAE dialogue "another talk-shop", adding further that "implementing GST also meant tracking progress of the commitments made in the GST and having the space to discuss opportunities and gaps in implementing GST outcome." It also wanted a report of the dialogue which would have recommendations for taking the work of GST implementation forward.

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

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

South Korea also supported the use of the Baku

text as a starting point for discussions and said the reason for why the that text was not accepted was because "having no text was better than accepting that text". It added that if we are to make progress, we need to make some changes to the text and that "the purpose of the dialogue is to take stock of how the GST is implemented." It said rurther that this dialogue should inform the second GST process.

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

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

The informal consultations on the way forward will continue today.