

## TWN

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## BONN CLIMATE NEWS UPDATE

PUBLISHED BY THIRD WORLD NETWORK

25 June 2025

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

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

[Article 9.1 of the PA provides that "Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention".]

Consultations were held to seek the views of Parties on 23 June by the Chair of the UNFCCC's Subsidiary Body for Scientific and Technological Advice (SBSTA) **Adonia Ayebare (Uganda)** and the Chair of the Subsidiary Body for Implemenation (SBI) **Julia Gardiner (Australia)**, at the start of the 2<sup>nd</sup> week of the climate talks in Bonn, Germany, which began on 16 June and is scheduled to end on 26 June.

[The **LMDC** had proposed for the inclusion of a new agenda item "Implementation of Article 9.1 of the PA" in the SBI's supplementary provisional agenda, which also garnered support from all developing countries, thus resulting in a proposal

by the G77 and China, but this was flatly opposed by developed countries. Following extensive consultations leading to a delayed opening of the climate talks, Parties eventually agreed to adopt the initial provisional agenda with the following compromise reflected in a footnote 2 to the agenda: "The SBI and SBSTA Chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of Article 9.1 of the PA. The SBI and SBSTA Chairs will take stock of progress on these consultations at SB 62 ( in the current session) and report back on the outcomes of these consultations at SB 63 (at the next SBs session in Belem, Brazil in November this year), for Parties' consideration with a view to determining a way forward, including potentially (as) a standalone agenda item on this matter". It is to be noted that this understanding is also to be reflected in the report of SB 62]. (See TWN <u>Update</u> 2 for more details.)

At the request of the **LMDC**, the two-hour substantive consultations on 23 June were open to observers and livestreamed to follow online. During the session, in response to the SB Chairs' mode of work to time-bound interventions by Parties by cutting off the mike, **Bolivia** raised a point of order and strongly remarked that



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Parties should be allowed to speak without time restriction to truly engage with "clear messages", which was backed by **India** firmly stating that otherwise the consultations will merely be a "cosmetic, ornamental exercise".

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

The G77 and China further stated that "it is important to have an open conversation on climate finance, and this space provides an important opportunity for all Parties ...to engage in understanding the progress made so far, the provision of finance and experiences related to it, and for better understanding the way forward in ensuring sufficient climate finance is reaching developing countries which includes closing the adaptation finance gap, ensuring that NDCs [nationally determined contributions] and NAPs [national adaptation plans] are implemented".

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

Article 9.1".

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

Bolivia then emphasized that "We need a work programme on Article 9.1 to decide on the modalities of implementation of the Article", further elaborating the substance of the work programme as follows: "We want to have the following discussions under the work programme that comprehensively discuss the following topics:

- Addressing the barriers to the provision of finance in developed countries through budgetary reform. We often hear that limitations exist in public funding. Empirically, this is not correct. The resources are there, however, there is no political will to direct them to climate support to developing countries.
- Extent of provision of finance under Article 9.1 and what is needed to be done finance provided by developed countries to developing countries since the adoption of the PA.
- The forms of finance provided and channels of provision, and the leverage ratios that can be achieved by the provision of finance.
- Space for discussion on how the new Fund for responding to Loss and Damage [FRLD] can be sustained with public finance and the tripling of adaptation finance under Article 9.1.
- Burden sharing amongst developed countries to establish their 'fair share' of their collective obligations to provide climate finance, which allows predictability, transparency, and accountability.
- Geographical and thematic distribution of finance provision. The allocation of finance provision amongst the developing countries. Sending clear direction to developed countries to better account for geographic balance in their climate finance support and to better account for the different needs, priorities and pathways of developing countries.

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 Provision of support for the implementation of developing countries' NDCs, NAPs, and other instruments under the Convention.

- Accountability of the provision of climate finance.
- Predictability of financial support for climate action in developing countries, tripling adaptation finance and guaranteeing finance for the FRLD."

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

It added further that "developed countries undertake policies with serious unintended consequences and battle with protectionism under the guise of climate action – the unilateral trade measures. Private finance will facilitate a new wave

of colonialism while cynically raising a climate flag. There is a clear need for enhanced concessional and grant-based funding to developing countries in accordance with Article 9.1 of the PA. Developed countries have to face up to their responsibilities to provide finance to developing countries now".

Venezuela for Bolivia, Cuba and Venezuela (Bolivarian Alliance for the Peoples of Our **America - ALBA)** stated that "the implementation of Article 4.3 of the Convention and 9.1 of the PA are today more important than ever for strengthening the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, in a manner that reflects equity and the principle of common but differentiated responsibilities and respective capabilities [CBDR&RC], in light of different national circumstances. Failure to comply Article 9.1 leads to an unbalanced implementation of all provisions of the PA. Developing countries face different realities when implementing their NDCs, and for ambition to increase, there must be sufficient and predictable resources. We cannot demonstrate greater climate ambition without the proper implementation of Article 9.1 of the PA". It highlighted the need "to make visible the consequences of the imposition of unilateral coercive measures, which represent a crime against humanity. These measures cover a broad spectrum, including trade-related aspects, and constitute actions that directly and indirectly affect the capacity to respond to the climate crisis and the response capacities of States to guarantee the right to development and basic rights. Unilateral coercive measures affect the ability to receive the financial resources so desperately needed for development in general and for climate action, in particular".

**Saudi Arabia** for the **Arab Group** said "we are not surprised that our partners were not in favor of discussing this matter in formal negotiations... It is an open secret that such discussions, on a legally binding obligation, are considered to be contentious. This open secret is known to all..." It substantively responded to arguments made by developed countries that there are enough agenda items on finance and that Article 9.1 can or is already being discussed, and critiqued that "the strategy is to dilute the issue of Articles 9.1 [of PA] and 4.3 [of Convention] in finance agenda

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discussions slowly shifting the goal post, shifting the focus onto others and deflecting responsibility. This is clearly demonstrated in attempts to socalled streamline the agenda and shift the focus to voluntary South-South cooperation".

It said further that the "failure to deliver on previous finance commitments and pre-2020 mitigation targets are only leading to higher adaptation and loss and damage needs" and pointed out that "Annex I countries [developed countries defined by the Convention] responsible for 79% of historical emissions, while the 22 Arab states are responsible for less than 2%. This process outlines equity and CBDR at its core. finance operationalizes them". "There is enough public capital in developed countries to close the gap to USD 1.3 trillion by 2035. The open secret is that there is no political will. Less than 1% of developed countries' GDPs will close this gap today" and called for "a space to discuss how we finally set place burden-sharing can in arrangements. standardised accountability mechanisms, where to place this public capital in the climate finance landscape to de-risk and catalyze further flows, how to transform outdated budgetary processes to respond to the urgent climate needs of today, [and on] how to overcome barriers to resource generation in developed countries by innovative instruments".

The **LMDC** proposal for a work programme on Article 9.1 was also supported individually by **India**, **China**, **Pakistan**, **Egypt**, **Nigeria** and **Morocco**, with **Colombia** expressing support for the inclusion of a "stand-alone agenda item" on Article 9.1 of the PA. (Full statements to follow in separate articles)

Tanzania for the African Group, Grenada for the Alliance of Small Island States (AOSIS), Malawi for the Least Developed Countries (LDCs), Chile for the Independent Alliance of Latin America and the Caribbean (AILAC) and Uruguay for the Group SUR (Argentina, Brazil, Uruguay, Paraguay) reiterated the importance of the legal obligations and commitments of developed countries to provide climate finance to developing

countries to implement climate action, firmly anchored in both Article 4.3 of the Convention and Article 9.1 of the PA. (Full statements to follow in separate articles)

On the other hand, expressing continued objection, **Switzerland** for the **Environmental Integrity Group (EIG)**, as a "constructive way forward", offered an alternative "package" proposal of "three new agenda items" as follows: first, under the CMA [meeting of Parties to the PA] on the implementation of Article 9 as a whole; second, under the COP on the implementation of Art 4.3 [of the Convention]; third, under the SBI on matters related to finance. Furthermore, it said that this new structure will "replace all agenda items under the COP and the CMA". This proposal was seconded by the **European Union**, **Australia**, **New Zealand**, **Canada**, **Japan**, **Norway**, **Iceland** and **Monaco**.

Responding to the proposal, **South Africa** strongly critiqued that it is a "serious backtracking" given that eight years ago, it was agreed and decided to move finance agenda items to the COP so it "doesn't make sense" to have them under "one omnibus' agenda item and hence, it could not support the "solution" offered. It also reminded of Article 11.3(d) of the Convention [on predictability and clarity on climate finance and its periodical review] which seems to be "ignored" and which after being "blocked by developed countries", eventually a mandate [on biennial communications in relation to Article 9.5 of the PA] was agreed in 2018 in Katowice, at COP 24, which demonstrates the "historical problem" that if finance issues are not on the agenda then they don't get discussed.

In closing of the substantive consultations, SBI Chair **Gardiner (Australia)** summarised the different views expressed by Parties and in relation to proposals for a stand-alone agenda item on Article 9.1 of PA as well as the EIG's proposal, further stating that the SB Chairs will take stock as mandated and report back at next SB 63 session. **Bolivia** took the floor and reminded the Chair to mention in the report the **LMDC**'s proposal for the establishment of a work programme on Article 9.1 of the PA.