

## North-South divide over first global stocktake

Dubai, 8 Dec (Perna 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 Dec, which saw the closing of work under the Subsidiary Bodies (SBs) and with transmission of

further work into the second week under the UAE COP28 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 immediate launch of work on the GST in the evening of the opening day on 30 Nov, the Co-Chairs convened a joint contact group and outlined the mode of work of coming up with a

“textual building blocks”. Developed countries highlighted that it should be based on the Technical Dialogues held under the process (that 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 **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 Dec 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” follows the [draft indicative structure](#) of the last SB58 (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” is “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 Dec. The Co-Chairs had proposed that Parties work on the ‘Guidance and Way Forward’ section of the text which had heard a lot of new proposals as well as on the contentious issues of “pre-2020” gaps and “past/current/future emissions” on how to frame them in the decision text. 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 Dec, 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, reflecting the divergent views and further invited “high-level reactions”. The text ballooned to double the size of its first iteration to 12 pages with 96 options and 29 listed bullet points in the ‘Guidance Way Forward’ section.

Co-chairs proposed for another inf-inf to narrow it down further to enable Ministers to engage in the second week of the talks, and that suggestions and improvements on the text could be made the following day on the morning of 6 Dec. Also, with the scheduled closing of the SBs on 6 Dec, they proposed for 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 for a recess to give Parties time to reconvene for more substantive inputs into the text, on which another iteration could be produced by the next day on 6 Dec, which would encapsulate all comments by Parties and 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 also calls 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 for 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 into late night and the session ending with the Co-Chairs informing Parties to send in submissions of their views with a third iteration expected the next day.

However, on 6 Dec, at the final contact group, the Co-Chairs informed 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 a revised [draft conclusions](#) adopted carrying a footnote of the second iteration "[updated textual building blocks](#)" as "not agreed text and represents work in progress" and invited the CMA "to take into account the views and submissions in a third iteration of the updated building blocks".

At the informal plenary, following closing of the SBs, the COP28 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 divide 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

As has been a long-standing fundamental contentious issue under the CMA, the reference to the Convention under which the PA is underpinned, has been consistently rejected by developed countries across the board in the negotiations, and therefore, also under 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 to references to Convention "is a no-go", 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. This, according to the G77, is also intrinsically linked to historical emissions and hence the notion of historical responsibility of developed countries as well their pre-2020 implementation gaps in both action and support.

The **US**, in particular, has 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 therefore there is no legal basis to delink the PA from the Convention. Further, developing countries also stressed that Article 2.2 also clearly states 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 **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 are also all currently reflected in the text which are so-called “red lines” for developed countries.

## MITIGATION

There are several highly contentious issues in the ‘Mitigation’ section. Among them are relate to historical emissions, carbon budget and global targets including fossil fuel phase out.

### **Historical emissions and carbon budgets**

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

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 CO2 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**

Another controversial paragraph 35 which lays out global targets with a 2030 timeline, is driven mainly by developed countries, without any differentiation between developed and developing countries, which is viewed by many developing countries as clearly going against the principles of equity and CBDR&RC, and which shifts 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 CO2 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 (International Panel on Climate Change) 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 with even some developing country sub-groups such as **AOSIS, AILAC, the African Group** supporting 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”.*

The other two controversial paragraphs which the developed countries want removed are paragraphs 48 and 49 in relation to means of implementation and support, thus clearly shirking off 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 which are as follows:

*“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 since the SB58 intersessional in Bonn (See [TWN Update](#)), with no agreed language on the very title of the section and thus comprising alternative proposals as follows:

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

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

*Alt.3C.3 Means of implementation and support*

*Alt.4C.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 and pushed by developed countries which is highly contentious to date with no common understanding yet reached by Parties.

The controversial issue of "Article 2.1(c)" of the PA has no common understanding between developed and developing countries. 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 **G77 and China** has strongly urged for 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, and this has faced resistance from developed countries. It is captured with options by paragraph 122 in the text which reads as follows:

*"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. It is reflected in paragraph 133 of the text with options which reads as follows:

*"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 which has been already watered down to "unilateral measures" in the text. It also appears under the 'International cooperation'. Developed countries are arguing that the issue is out of the scope and mandate of the CMA and belongs to the World Trade Organisation.

The **BASIC** given 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", for a new agenda item has been leading the fight to maintain the reference and 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 which is 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.

The other issue that is being driven by developed countries led by **Australia**, the **EU**, **Canada**, **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.