

Uncertainties loom at COP29 Climate Talks

Baku, 11 Nov. (Meena Raman and Prerna Bomzan) – Uncertainties loom over the annual climate talks which kick-off in Baku, Azerbaijan, from November 11-22nd. Uppermost in the minds of delegates will be the impact of the election of Donald Trump as the in-coming President of the United States, and the likelihood of a US pull-out of the Paris Agreement (PA) once again, as it did in 2017.

Such a departure of the world's largest historical and current per-capita emitter from obligations under the climate regime will have significant ramifications on efforts to limit global warming. More so, when there is a strong likelihood of the US furthering the 'drill-baby-drill' agenda, in a complete about-turn from the difficult decision adopted by governments in Dubai last year, on "transitioning away from fossil fuels....in a just, orderly and equitable manner."

With the US likely to abdicate from any responsibility on reducing emissions and on contributing to climate finance, the outlook appears rather bleak for the Baku talks.

The implications are grave and portend worse calamities to come. 2024 is expected to be the warmest year on record, as we witnessed untold

devastation in many parts of the world, with extreme events of severe heatwaves, forest fires, droughts and floods, with the poorest of the world already paying the cost, and who have contributed the least to greenhouse gas emissions.

The Baku COP has been hailed as a 'Finance COP', with the hope that there will be agreement on a new collective quantified goal (NCQG) on finance, commensurate with the needs of developing countries in facing the onslaught of the climate crisis. The big question is whether developed countries agree to provide and mobilise significant public resources for developing countries as per the PA. However, judging from the state of current politics in many developed countries, there appears to be public money to fund wars, bombs and genocide, but there is no political will to provide the much-needed public financial resources to the developing world.

Against this backdrop, the climate talks will cover the 29th meeting of the Conference of Parties to the UN Framework Convention on Climate Change (COP 29), the 19th session of the Conference of the Parties to the Kyoto Protocol (CMP 19), the 6th session of the Conference of the

Parties to the Paris Agreement (CMA 6) and the 61st session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 61) and the Subsidiary Body for Implementation (SB61). Among the key issues which will be addressed are set out below.

THE NCQG

In Baku, Parties have to fulfill the mandate agreed to in Paris in 2015, that prior to 2025, they shall set the NCQG from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries.

At COP 28/CMA 5, by [decision 8/CMA.5](#), Parties agreed to transition to a mode of work that enables the development of a draft negotiating text on the NCQG for consideration at CMA6. Co-Chairs of the Ad hoc Work Programme (AHP) on the NCQG, **Zaheer Fakir (UAE)** and **Fiona Gilbert (Australia)** have produced an input paper as a “substantive framework for a draft negotiating text”. (See further details below).

Key contentious issues that have dominated the negotiations are: on the quantum of the goal; mandate of the NCQG – whether mandatory or voluntary; linkage to the Convention or not; structure of the goal – whether single layer or multi-layered; contributor base – who pays; the recipient base – who receives; role of the private sector, multilateral development banks (MDBs), international financial institutions (IFIs) and domestic resource mobilization in the achievement of the goal; timeframe and revision of the goal; among others.

During the process thus far, developed countries have refused to talk about the quantum of the goal which is the crux of the matter, arguing that it is a political issue to be decided by leaders and hence, not to be dealt at the current technical level. Further, they have maintained that the NCQG is not linked to the Convention (but to the PA only); that contribution to the goal is voluntary; the contributor base be determined based on the “evolving” capabilities of Parties with the capacity to pay as well as on level of emissions, countries’ gross domestic product and gross national income; the recipients be limited only to the “most vulnerable”; that it is a multi-layered goal – a global

“investment” goal with a policy layer linking to enabling environment in developing countries; that enough public finance is not available and therefore contingent upon the private sector, MDBs, IFIs and domestic resource mobilization. They are also opposed to the inclusion of loss and damage in the NCQG, limiting it to only mitigation and adaptation efforts; that the NCQG is to achieve Article 2.1(c) of the PA (on making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development); and that there should not be a revision of the goal (once agreed).

Developing countries on the other hand, as signaled by the G77 and China, on the quantum of the goal, have proposed figures ranging in the range of trillions of USD (\$1 to 2 trillion per year), in accordance with their needs and priorities and have consistently called for its discussion on this but to no avail. Further, they have maintained that: (i) the NCQG is firmly linked to the Convention given that Article 2 of the PA states that the PA is to enhance the implementation of the Convention; (ii) contribution to the NCQG is mandatory, given it is a continuation of the USD 100 billion annual goal and that Article 9 of the PA and the principles and provisions of the Convention constitute the foundation of the NCQG, which means the goal must be delivered by developed countries to developing countries based on equity and the principle of common but differentiated responsibilities (CBDR); (iii) the structure of the goal must be kept simple and not go into complex layers; the goal must include loss and damage response alongside mitigation and adaptation; it should recognize the importance of just transitions towards low emissions climate resilient development pathways in the context of sustainable development and poverty eradication for developing countries; (iv) it must not impose conditionalities to the provision and/or mobilisation of climate finance to developing countries and must provide access features that operationalize the requirement for access channels to ensure efficient and swift access to, and enhance the coordination and delivery of climate finance for developing countries; (v) there must be transparency arrangements related to a definition on what to count and what not to count as climate finance; (vi) it cannot include loans at market rate, private finance at the market rate of return, official

development assistance and non-climate specific finance; (vii) the NCQG must be delivered via the provision of public finance in a grants-based or concessional manner and the quantum must not include domestic resources of developing countries; (viii) it should provide a clear agreement on burden sharing among developed countries to establish their “fair share” of their collective obligation to provide climate finance, which allows predictability, transparency and accountability and (ix) must address “dis-enablers” of climate finance such as high cost of capital, high transaction costs associated with access, and unilateral measures such as carbon border adjustment measures (CBAMs).

These divergences between developed and developing countries came out strongly during the first AHWP meeting in April in Cartagena, Colombia (See [TWN Update](#)) where the Co-Chairs had prepared an [input paper](#) to seek Parties views on possible elements of the draft structure for the substantive framework for a draft negotiating text and options for content to be included under each element, as well as during the second AHWP meeting in May in Bonn, Germany, in response to the next [input paper](#) prepared by the Co-Chairs (See [TWN Update](#)) and at the closing plenary of the Bonn climate talks (See [TWN Update](#)).

Further, both developed and developing countries maintained their key positions at the third AHWP meeting in September in Baku, where the Co-Chairs produced an updated [input paper](#) for the meeting which included two annexes: annex 1 presenting an updated input which features section “C. Goal formulation packages of options” containing seven different options; and annex 2 presenting a summary overview of the packages of elements for the full NCQG as expressed by Parties and groups of Parties.

On 15 October, the Co-Chairs released an [addendum](#) which presents the “substantive framework for a draft negotiating text” for the consideration of Parties at CMA 6.

TWN has learnt that developing countries have expressed serious concerns over the document and are not comfortable in taking the document as a basis for a draft negotiating text, given the lack of balance with their views not being reflected

properly.

Hence, the first task in Baku would be on how to advance the NCQG negotiations and on what basis. What the final outcome would be will indeed be the core focus of the talks.

GLOBAL STOCKTAKE

At COP 28 last year, by decision [1/CMA.5](#), the outcome of the first global stocktake (GST) was adopted following a North-South divide. The objective of the GST is to assess the collective progress of Parties in meeting the goals of the PA. (See [TWN Update](#)).

There are three specific mandates from the decision to be addressed in Baku:

- (i) GST refinement – paragraph 192 decided to consider refining the procedural and logistical elements of the overall GST process on the basis of experience gained from GST1, commencing at SB 60 and concluding at CMA 6. Parties will consider the [informal note](#) from SB 60 which does not represent “consensus” among Parties.
- (ii) The United Arab Emirates (UAE) dialogue – paragraph 97 under the “finance” heading of the section on “means of implementation and support” (MOI) decided to establish the dialogue “on implementing the GST outcomes”, and in paragraph 98, it was agreed that the dialogue be operationalised from CMA 6 and conclude at CMA 10 (2028), and requested the SBI to develop its modalities at SB 60 for consideration by CMA 6. Parties will consider the [informal note](#) from SB 60 which “has not been agreed upon, is not exhaustive, and has no formal status”.
- (iii) Annual GST dialogue - paragraph 187 requested the SB Chairs to organize an annual GST dialogue starting at SB 60 to facilitate the sharing of knowledge and good practices on how the GST outcomes are informing the preparation of the next nationally determined contributions (NDCs). Parties will consider the secretariat’s report on the dialogue which was held in Bonn in June this year.

The most contentious of these GST related matters is the scope of the UAE Dialogue referred to in paragraph 97 of the decision.

Scope of the UAE Dialogue

The contention over the ‘scope’ of the dialogue is whether it is related to only “finance” related outcomes of the GST or whether it is related to “all” GST outcomes and this fundamental difference on its scope dominated the negotiations at SB 60 in Bonn, obscuring the key mandate of developing the “modalities” for the dialogue. Parties finally agreed to forward the “[informal note](#)” from Bonn, capturing “five options/vision” on the scope, as the basis for negotiations in Baku.

The chapeau of the informal note states, “*includes divergent views on scope, modalities, and timeline, of the GST-related activities and has been prepared by the co-facilitators for this agenda item under their own responsibility*”. The five different options on the scope of the dialogue comprising respective purpose and objectives as well as the modalities are listed comprehensively in the informal note in the following order:

- i. Climate Finance/MOI to implement the GST outcomes;
- ii. Financial support from developed to developing countries and tracking the delivery of the NCQG;
- iii. Implementing all GST outcomes;
- iv. All GST outcomes with a view to inform Parties in updating and enhancing their actions and support;
- v. All GST outcomes with a focus on finance/MOI.

Negotiations on these five different options on the scope of the dialogue from Bonn (See [TWN Update](#)) are expected to be highly contentious in Baku. To arrive at a consensus for a decision to operationalize the dialogue starting at CMA 6 and concluding at CMA 10 (2028) will be a challenge.

Developed countries have maintained that the scope of the dialogue has to be on all the GST outcomes, while developing countries including the Africa Group, the Like-minded Developing Countries (LMDC), Group Sur, and the Arab Group have stressed that the focus should be only on finance related outcomes of the GST and not all the

GST outcomes.

The UAE dialogue is also likely to see an ‘agenda-fight’, as the CMA 6 provisional agenda, the dialogue is currently placed under ‘Matters relating to finance’ and that in the annotations to the provisional agenda, there is a footnote 10 which indicates a request from the US and the United Kingdom for the item to be moved under matters related to the GST (instead of it being placed under ‘Finance’. In response, the African Group have made a submission stressing that the dialogue should fall under “Matters relating to finance”. Whether there will be an agenda fight or not remains to be seen.

MATTERS RELATED TO ADAPTATION

In the spotlight, there are two main agenda items: (i) Global Goal on Adaptation – UAE Framework for Global Climate Resilience and (ii) National Adaptation Plans.

Global Goal on Adaptation (GGA)

At COP 28 in Dubai, by [decision 2/CMA.5](#), Parties adopted the UAE Framework for Global Climate Resilience which includes seven thematic targets and four dimensional targets of the iterative adaptation cycle referred to in decision 3/CMA.4.

The Dubai decision also established a two-year UAE-Belem work programme (UBWP) on indicators for measuring progress achieved towards the thematic and dimensional targets with a view to identifying and, as needed, developing indicators and potential qualified elements for those targets.

At SB 60, following extremely contentious negotiations between developing and developed countries – especially on the inclusion of MOI and a structured expert led process rejected by the latter, Parties eventually adopted [draft conclusions](#) requesting the SB Chairs to convene technical experts to assist technical work under the UBWP. It was also agreed to consider additional work by the technical experts and associated modalities at SB 61 with a view to making a recommendation on this matter for consideration at CMA 6 with a ‘footnote 4’ caveat reading, “*including the consideration of the Adaptation Committee and/or an ad hoc expert group and/or expert groups,*

without prejudicing the outcome of negotiations at CMA 6". Further, the draft conclusions also carries an [informal note](#) on the modalities of the UBWP "which may be considered at SB 61, as appropriate, recognizing that these views do not capture those of all Parties and do not represent consensus". (See [TWN Update](#))

At the mandated workshop on the indicators, on 8-9 October in Sharm el-Sheikh, Egypt, which brought together the technical experts, a [compilation](#) of over 5300 indicators with 16000 data entries were presented by the secretariat. There's also a [complementary note](#) to the compilation and mapping of indicators available online. Deliberations at the workshop were notably dominated by the imperative need for MOI indicators demanded by developing countries as well as their experts, which was however rejected in particular by the US. This issue will clearly be a flashpoint in the negotiations in Baku.

National Adaptation Plans (NAPs)

The long-standing issue has been the demand for the provision of MOI for the implementation of NAPs by developing countries but vehemently opposed by developed countries led by the US and a similar situation was witnessed at SB 60 (See [TWN Update](#)). In Baku, the same fight is expected to continue and whether a breakthrough will indeed be achieved on this highly critical issue for developing countries.

UAE JUST TRANSITION WORK PROGRAMME

AT SB 60, following long and intense negotiations, Parties finally agreed to a further consideration of the just transition work programme (JTWP) in Baku, by forwarding an [informal note](#), with text in "brackets" (not agreed). The bone of contention is the demand by developing countries for a "workplan" and a JTWP that actually delivers MOI and international cooperation, instead of the imposition of unilateral measures which are major barriers to the just transition in developing countries. Developed countries on the other hand have been pushing for the JTWP to implement the global mitigation efforts agreed to in the GST decision in Dubai, including transitioning away from fossil fuels. (See [TWN Update](#)).

The mandated second dialogue held on 2-3 October

in Sharm el-Sheikh highlighted the importance of international cooperation, where the **G77 and China** led by **Egypt** said that the group sees an opportunity to foster international cooperation and partnerships by ensuring developed countries meet their obligations and that this includes taking the lead in reducing emissions and providing financial, technological, and capacity-building support to developing countries. It emphasized that the dialogue should focus on this perspective, unpacking all required solutions that support this narrative through international cooperation and assessing any initiatives or unilateral measures with cross boarder negative impacts that undermine these efforts.

Further, it said that international cooperation should promote a supportive and open international economic system aimed at achieving sustainable economic growth and development in developing countries according to their national circumstances and developmental priorities, with a fairer distribution of resources between and within the countries, and thus enabling them to better address the problems of climate change, while assessing the unilateral measures with cross boarder negative impacts in achieving a cooperative approach in the implementation of Just transition pathways.

Concluding its remarks, Egypt stressed that addressing the role of international cooperation on the development and deployment of low carbon and climate resilient technologies should be pursued on equal partnership that leads to shared prosperity, taking into account the needs and priorities of developing countries in pursuing the implementation of their sustainable development model and poverty eradication.

The Baku negotiations on JTWP will be closely watched on whether developing countries can successfully clinch an actionable workplan bolstered by MOI and international cooperation which would meaningfully support them to address challenges in their just transition pathways.

RESPONSE MEASURES

Response measures refers to the impacts of the implementation of mitigation measures in

jurisdiction and out-of-jurisdiction or cross border-impacts taken by Parties. At SB 60, following tough negotiations, Parties eventually agreed to carry the work forward to Baku “taking into account the [non-paper](#) prepared by the Co-Chairs” which carries a list of 60 activities to be included in the new 5-year workplan. (See [TWN Update](#)).

The most contentious activity relates to “unilateral measures” such as the CBAMs, which has been proposed by developing countries to be addressed, given the negative effects of trade-related climate measures with cross-border impacts. This has been strongly opposed by developed countries. The negotiations in Baku will most likely see another protracted fight by developing countries for the inclusion of unilateral measures in the 5-year workplan.

In another related development on this issue, **China for the BASIC (Brazil, South Africa, India, China)** countries has submitted a [proposal](#) to include a new agenda item on “*Concerns with climate-change related unilateral restrictive trade measures, and identifying the ways to promote international cooperation in line with the First GST Outcome*” on the provisional agendas of the SBI/SBSTA, COP 29, CMP 19 and CMA 6 and it will be closely watched how the COP 29 Presidency will deal with this highly controversial issue.

MITIGATION WORK PROGRAMME

At SB 60, negotiations on the mitigation work programme (MWP) concluded with a deadlock over the core issue of its mandate resulting in a lack of consensus on how to advance further work. Negotiations will start from scratch in Baku again on this matter.

The key areas of divergence during the two weeks centred on the following issues: whether the MWP conclusions from Bonn should include any high-level political messages or not; whether there should be any linkage between the MWP and the GST decision from Dubai; whether the MWP should be a vehicle for implementation of the mitigation section of the GST outcome; and the relationship of the MWP and the NDCs, especially in light of all Parties needing to communicate their next NDCs by February 2025 (for the 2031-2035 timeframe).

([See TWN Update](#)). These issues will continue to feature in the Baku talks.

FURTHER GUIDANCE ON NDCs FEATURES

In relation to further guidance on features of NDCs, decision [4/CMA.1](#) noted that features of NDCs are outlined in the relevant provisions of the PA and decided to continue consideration of further guidance on features of NDCs at the CMA session to be held in November 2024.

One feature that all Parties underline is the need for the NDCs to be nationally determined. There is likely to be pressure for in advancing new and additional features in light of implementing paragraph 28 from the GST decision of COP 28 on the global mitigation efforts, including on the need to transition away from fossil fuels, which could be viewed as undermining the national determination of the NDCs.

ARTICLE 6

At SB 60, draft texts were produced for Article 6.2 (the use of internationally transferred mitigation outcomes towards implementation of NDCs) and Article 6.4 (mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development) as the basis for negotiations in Baku. These Articles relate to international carbon-trading and carbon markets.

Many Parties, including the COP 29 Presidency, have expressed hope that Baku will deliver on settling all the outstanding technical issues regarding the Articles 6.2 and 6.4 operationalisation and implementation.

Among the sticky issues under Article 6.4 in Sharm el-Sheik and Dubai was the lack of agreement by the CMA on the methodology requirements and activities involving removals recommended by the Supervisory Body of the Article 6.4 mechanism (SBM). The SBM then continued its work since Dubai to further develop the two documents for consideration and adoption at CMA6 in Baku. These are the two key issues that require CMA consideration and approval. (The SBM has developed and adopted other documents like the Sustainable Development Tool (SDT) which do not need CMA approval.)

Unlike last year where the SBM sent its documents to CMA 5 for approval, the SBM took a different approach to its recommendations to the CMA this year. The SBM, in its recommendations, requested the CMA to (i) take note of the adoption of the two standards:-(a) [on methodology requirements](#) and (b) [on activities involving removals](#); (ii) take note that the SBM will continue elaborating and implementing the standards; and (iii) endorse this new approach of the SBM and requests the CMA to provide any additional guidance to this approach. (The [report of the SBM meeting](#) held on 5-9 October 2024 provides the background to the new approach taken by the SBM).

Sources informed TWN that the COP29 Presidency is consulting with Parties on whether they have objections to the CMA endorsing these SBM standards on the first day of COP29 opening. This can be viewed as an attempt by the Presidency to convey an achievement on the first day of the talks.

However, there are still many issues to be resolved under Article 6.2 and Article 6.4. Under Article 6.2, the [draft negotiating text forwarded from Bonn](#) does not represent consensus among Parties. The draft text contains options and language in “brackets” under the headings on scope and definition of a cooperative approach; authorization; application of first transfer; agreed electronic format; tables for submitting annual information as part of the regular information; sequencing and timing; process of identifying, notifying and correcting inconsistencies; inconsistencies identified in Article 6 technical expert reviews; special circumstances of the Least Developed Countries (LDCs) and the Small Island Development States (SIDS); additional functionalities and procedures for the international registry; work programme; and other matters.

Under Article 6.4, the Bonn [conclusions](#) state that discussion on ‘emission avoidance’ is to continue in 2028 and in relation to the [draft negotiating text](#), it notes that it does not represent consensus among Parties. The draft negotiating text contains options in “brackets” headings on authorization of Article 6.4 emission reductions; Article 6.4 mechanism registry; share of proceeds for adaptation; transition of clean development mechanism afforestation and reforestation activities; and baseline methodologies.

TECHNOLOGY IMPLEMENTATION PROGRAMME

One of the key wins at COP 28 for developing countries is the establishment of the technology implementation programme (TIP), contained in paragraph 110 of the GST decision 2/CMA.5. It is to be *“supported by, inter alia, the operating entities of the Financial Mechanism, to strengthen the 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”*.

The decision also invited SBI 61 to take into account the TIP 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. The TIP as a stand-alone CMA agenda item provides a valuable opportunity to advance the critical issue of “implementation” of technology development and transfer for developing countries, including for the development and enhancement of endogenous capacities and technologies of developing countries as referred to in Article 4.5 of the Convention. Whether any advances will be made on this matter will be closely watched.