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Higher mitigation ambition requires enhanced support - say Developing Countries

Dubai, 6 Dec (Indrajit Bose) — Developing countries stressed the importance of operationalizing 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 Dec. 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 emphasized 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 contains domestic mitigation measures.)

(The **Like-Minded Developing Countries [LMDC]** had proposed the issue to be a standalone agenda item in the agenda of the 5th Session of the Conference of the Parties to the PA (CMA5), which opened on 30 Nov. However, there was no consensus on including it as a standalone agenda item and at the opening of CMA 5, the COP 28 Presidency had proposed the issue be discussed under the 'Matters related to the SCF'.)

Explaining the rationale for the discussion, **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 depended 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 accompany 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 was 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

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Third World Network is an independent non-profit international research and advocacy organization involved in bringing about a greater articulation of the needs, aspirations and rights of the peoples in the South and in promoting just, equitable and ecological development.
Address 131, Jalan Macalister, 10400, Penang, MALAYSIA.
Tel 60-4-2266728/2266159 **Fax** 60-4-2264505
E-mail twn@twnetwork.org **Website** https://twn.my/

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 crosscutting issue with a bearing on Articles 9,10,11 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 crosscutting 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 included 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 other Parties to provide support voluntarily.)

South Africa for the **Africa Group** expressed disappointment with Switzerland's response because all finance discussions had 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) USD100 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. It also said that developing countries can do more if there is ambition in finance and support for developing countries.

"Where is the ambition if you cannot prove to us about fulfilling the USD100 billion?" asked South Africa. Reflecting on the special circumstances of Africa, it said the continent gets less than 2 per cent of global renewable energy funding, and the typical reasons cited are fiscal issues, 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, South Africa said the pledges are not nearly enough and asked how developing countries are to change their mitigation pathways for their low emissions development. It said it fully supports continuing discussions on operationalizing Article 4.5.

Egypt said Article 4.5 is a very timely issue to be raised and it deserves the right attention. It said that since the Glasgow COP in 2021, Parties had been hearing about 2020-2030 being a critical decade and higher ambition in mitigation, but when it came to finance, the ambition is not there.

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

Egypt further added that Article 4.5 deserves a discussion, 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 that 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, the idea of 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 is 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 ware 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 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 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, and 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 stock-take.

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. (See article on Article 2.1(c) discussions).

The informal consultations on Article 4.5 is expected to continue.