TWN

11

BAKU CLIMATE NEWS UPDATE

PUBLISHED BY THIRD WORLD NETWORK

21 November 2024

Meeting in a 'Single-Setting' convened to consider package of texts

Baku, 21 Nov, (Radhika Chatterjee, Meena Raman, and Hilary Kung) - On the penultimate day of the Baku climate talks, Parties will meet in a "Single-setting" to consider a "package of texts" to find bridging proposals, with a second iteration of texts produced if needed. This was conveyed to Parties at a stock-take of the process convened by the COP 29 President on Nov 21. (See details below).

MEETING IN A SINGLE-SETTING

TWN has learnt that Parties have been informed by the COP 29 President that a meeting in a Single-setting will be convened from 12:00 to 15:00 on Thursday, 21 Nov, which is "designed to engage Parties in constructive dialogue with a view to finding solutions and reaching compromise on the critical issues to ensure successful outcomes at COP 29." It is learnt that a "quota system" has been put in place, "which will be managed by Group Chairs and Coordinators" of Parties, with a certain number of seats at the table, and with further seats behind.

STOCKTAKING PLENARY

The mode of work to be adopted was made known to Parties at a "stocktaking plenary" convened by the COP 29 Presidency, to provide an update on progress made across all items. The session was

conducted by COP29 President **Mukhtar Babayev** [the deputy Foreign Minister of Azerbaijan] and **Yalchin Rafiyev** [the lead negotiator of the COP29 Presidency team].

Rafiyev laid out the way forward regarding the mode of work for many key issues that Parties have been negotiating on, since the start of the climate talks which began on Nov 11 and is expected to end on 22^{nd} Nov.

[Since the beginning of this week, technical consultations continued on a range of issues like the New Collective Quantified Goal (NCQG) on finance, the Mitigation Work Programme (MWP), the Just Transition Work Programme (JTWP), issues of Article 6 of the Paris Agreement (PA), the UAE Dialogue (on paragraph 97 of the Global Stocktake (GST) decision), the Global Goal on Adaptation (GGA) and National Adaptation Plans (NAPs)].

Rafiyev informed that technical work on the UAE dialogue had been concluded and would now be taken forward through political guidance. In addition to technical consultations, work on key issues like finance, mitigation, Article 6 of the PA and adaptation has been proceeding under the guidance of pairs of Ministers at the political level. On the NCQG, the Presidency also invited a



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/ representative from Georgia to facilitate consultations between heads of delegations (HODs) of all groups and Parties on qualitative aspects of the NCQG, including issues of access, transparency, and dis-enablers of climate finance.

All Ministerial pairs were instructed by the Presidency to conclude work by 5pm of Nov 20 and draft texts were expected to be released in the early hours of Nov 21, including that on the NCQG. Rafiyev informed that after issuing the draft texts, Parties will be given sufficient time to review them and a meeting will then be conveyed "in a single setting" to consider the "package of texts" and to develop further bridging proposals, which may undergo a further "second iteration" if required.

Parties were informed also that Ministers from Brazil and the United Kingdom who were asked to support in delivering a high ambition package deal, would also begin their consultations on Nov 20.

At the stock-take plenary, the Ministerial pairs provided updates to Parties.

NCQG

Ministers **Yasmine Fouad (Egypt)** and **Chris Bowen (Australia)** reported that though divergences still remained on structure of the NCQG [whether it is to be a single goal or a multilayered approach including investment, provision and mobilisation], all Parties have expressed a wish to see a quantum for the goal to be mobilized. It was also mentioned that "broader finance" had a role to play to mobilise in the "scale of trillions" from all sources as the bigger picture.

On the contributor base [as to who should contribute to the goal], they shared that there was agreement among parties that the goal of the talks was not to reopen Article 9 of the PA, nor to renegotiate it. They also shared that some Parties have suggested that there is no "change in [their] development status [as to whether they are developing countries or not]" or "[their] ability to receive finance".

On the issue of quantum, they mentioned a figure of mobilizing USD 1.3 trillion but also said that Parties have put forward different proposals on elements related to [what is to be] "provided"

versus "mobilised". Three proposals have also been shared for the provision of the quantum: USD 900 billion, USD 600 billion, and USD 400 billion. Some have mentioned USD 100 billion with linkages to contributors and all sources. While many Parties have mentioned that whatever figure is finally decided, it should be "ambitious and realistic". They also said that some Parties have also said that they want to see some building blocks to be provided and mobilized under one quantum and not separate targets. For the USD 100 billion goal, some Parties have said that the goal would be met from a wide range of sources. It is in this context where resolving the issue of contributor base is an important part of the conversation, they added further.

On the issue of specific allocations, the Ministers reported that some Parties have said they could not accept this because of concerns on regional balance. The Ministers said that there has been a strong focus on the need for concessional and grants-based finance, and that some Parties have also mentioned the need for ensuring grant equivalency in the funding, but for others the issue of grant equivalency is a "red line". They also said that many Parties have focused on policies. Some have proposed for burden sharing while others have said that this is a red line.

MITIGATION

The update on mitigation was provided by Ministers **Tore Onshuus Sandvik (Norway)** and **Dion Travers George (South Africa)**. They shared that on issues related to mitigation, sessions have been discussed in two formats: the high level ministerial round table on pre-2030 mitigation ambition and in two sessions of informal consultations. In the high level ministerial, Parties and groups shared their views on what could constitute a mitigation outcome at COP29, the political messages they would like to be reflected in the outcome in Baku, and whether this should be in the MWP or in some "other home".

The Ministers said that Parties shared with "greater clarity" about how they viewed what a successful mitigation outcome would like. They further added that all Parties confirmed their commitment to the Dubai Consensus that was reached last year at COP28 and expressed their commitment to submit ambitious Nationally

Determined Contributions (NDCs) in 2025.

ADAPTATION

The update on matters relating to adaptation was provided by Ministers Eamon Ryan (Ireland) and Franz Tattenbach (Costa Rica). They reported that there was broad consensus on the issue of elevating the urgency of adaptation and the need for providing support. The insufficient quantity and scope of adaptation finance was also mentioned. They said that the need for the GGA to fulfil its purpose in the PA was also stressed. Gaps in implementation of adaptation finance and the need for providing means of implementation (MOI) towards adaptation was highlighted. They said further that discussion hinged on the issue of MOI given of finance and support versus those that are questioning the relevance of tracking finance, among other things.

The Ministers also shared that there was a need for advancing work towards measures and targets that were being developed under the UAE-Belem Work Programme for Climate Resilience [on developing the GGA's indicators], including paragraph 38 of the GGA outcome from Dubai. They also shared that there was disagreement regarding the definition and applicability of 'transformational adaptation', which could be resolved at the technical level. The Ministers also said that there was a need for adaptation and finance colleagues to work together to "find a place for landing".

ARTICLE 6 OF THE PA

Ministers Grace Fu Hai Yien (Singapore) and Simon Watts (New Zealand) provided the update on negotiations relating to Article 6. On the issue of registries, they recognized there was a divide in the room. They shared that while a majority of Parties could live without Article 6.2 of the PA having an "issuance function", groups and parties were divided on whether the registry should be able to transfer and hold units, and whether the registry should serve as a purely accounting registry or transaction registry. As per their preliminary assessment, the Ministers shared that a "potential landing" could be explored in a "dual layer registry system" where the accounting layer could track internationally transferred mitigation outcomes (ITMOS) "with pull and view functionality".

Further, they said the UNFCCC secretariat could provide an "optional service" as an extension outside the international registry that provides Parties with the "issuance function". The ministers said further that they would invite views from Parties on the most critical issues of Article 6.2 and 6.4 of the PA.

Soon after the Presidency laid out mode of work for the work of the rest of the days, Bolivia, for the Like Minded Developing Countries (LMDC) expressed concerns about the pace of negotiations. It said that "We find negotiations on adaptation totally deadlocked; no negotiations were convened on Just Transition, and there is a steadily receding hope of getting an ambitious NCQG." "Instead, all we hear is mitigation, mitigation, and mitigation. In fact, the mitigation and GST items are being treated with a lot of "care" it expressed further. Saying that "the process is totally imbalanced at the moment" with the "interests of some getting prioritized" it urged the COP 29 President "to restore balance in the process." Bolivia also added that "it is quite unfortunate that the developing countries' foremost need of adaptation is not even being considered and the paragraphs on MOI are being bracketed by our partners. The GST has called on Parties to have their National Adaptation Plans (NAPs), policies and planning processes by 2025. Only 58 developing countries have formulated NAPs so far and asked how developing countries are we going to achieve this goal if the MOI provisions continue to be bracketed?" The LMDC said further that "we are also not seeing any signals for mitigation action in developed countries... For any serious action to reach the 1.5°C goal, we need the developed countries to go carbon neutral by 2030 and net negative thereafter, instead of increasing their emissions further. But in the mitigation room, it is only about imposing paragraph 28 of the GST (on global mitigation efforts) on developing countries, thereby shifting the responsibility to developing countries."

Following the LMDC intervention, the stocktake plenary ended, with Parties working in frenzy to finalise texts.

Below are highlights from the high-level ministerial roundtable on mitigation and also updates on what transpired at the informal consultations on the MWP and the UAE dialogue of

the GST outcome.

HIGH-LEVEL MINISTERIAL ROUND TABLE ON MITIGATION

In the high-level Ministerial round table on mitigation that was held on Nov 18, several developing countries expressed their disappointment about the failure of developed countries to deliver on their pre-2020 mitigation targets and highlighted the importance of provision of finance from developed to developing countries.

The LMDC, Group SUR (Brazil, Ecuador, Paraguay, and Uruguay), the African Group, **India** and **China** stressed the need for developed countries to take the lead in implementing ambitious mitigation action and respecting the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC). China asked developed countries to achieve net zero emissions by 2035 and highlighted the importance of accelerating and reforming processes of technology development and transfer under the UNFCCC. India stressed the need for removing barriers related to intellectual property rights regime to facilitate transfer of technology required for implementing ambitious mitigation actions in developing countries. Egypt too expressed similar sentiments.

The **Least Developed Countries (LDCs)** asked for raising mitigation ambition and stressed the importance of finance in the ability of developing countries' ability to implement mitigation actions.

Developed countries on too stressed on the importance of keeping 1.5 °C within reach and stressed on the need for implementing mitigation related aspects of the first GST outcome. They highlighted in particular the goals of tripling renewable energy, doubling energy efficiency, and transitioning away from fossil fuels and asked for a follow up of the mitigation aspects of the GST outcome through the MWP. The **European Union, United Kingdom, Japan,** and **Canada** emphasized the need for undertaking economy wide absolute emission reduction targets. **Germany** also stressed for the need for phasing out of existing unabated coal use.

The Alliance of Small Island States (AOSIS) and the Independent Alliance of Latin American and

the Caribbean Nations (AILAC) too stressed the need for keeping 1.5 °C within reach and for ambitious mitigation action, and also highlighted the key mitigation targets of the GST outcome, as detailed in paragraph 28.

INFORMAL CONSULTATIONS

MWP

In the two sessions of the informal consultations held for MWP on Nov 19 and conducted by Cofacilitators **Ursula Fuentes (Germany) and Maesela Kekana (South Africa)**, developing and developed country groups repeated their positions similar to what they had shared last week. (See <u>TWN update</u> for details).

Several developing countries including the **LMDC**, the **African Group** and the **Arab Group** stressed that the MWP should not be used to impose any targets on countries, as the objective of the programme was to facilitate dialogues and exchange views to provide an opportunity for Parties to share experiences and learn from each other. They also highlighted the need for making improvements to the global dialogues and the investment focused events that were organised under MWP. These groups along with **Group SUR** emphasized the importance of the means of implementation in scaling up mitigation ambition.

They said the purpose of the MWP was to inform the current implementation of mitigation actions and not future NDCs. They further argued that any kind of imposition of new mitigation targets on developing countries through the inclusion of key messages would result in going beyond the mandate of the MWP and add a burden on developing countries.

Developed countries and some developing countries especially the **AOSIS** and the **LDCs** on the other hand, insisted on having "strong outcomes" from the MWP by scaling up mitigation ambition keeping in mind the "urgency" of the situation. This, they said was to be done through the insertion of key messages under the MWP. Some of the key elements they emphasized for these messages are: having mitigation action aligned with the 1.5 °C goal, creating a strong linkage between the MWP and the GST according to paragraph 186 of the GST

outcome document; scaling up mitigation action in line with paragraph 28 of the GST decision; and using the MWP to inform the process of updating NDCs.

UAE dialogue

At the informal consultations on the UAE dialogue Co-facilitated by **Ricardo Marshall (Barbados)** and **Patrick Spicer (Canada)** in the second week of the climate talks saw Parties providing their views on the <u>informal note</u> that was transmitted from the Subsidiary Bodies last week to CMA.6, which later led to another <u>iteration of the text</u> that was published on Nov 19. As mentioned before, the UAE dialogue is now awaiting political guidance for its further progress on the matter of the scope of the dialogue, whether it is confined to the finance related matters of the GST outcome or if it relates to all the GST outcomes.

The **LMDC** stressed the need for tracking finance delivery of the NCQG along the lines of timelines and outcomes of the PA. The African Group said it did not want to replicate GST and that the scope of the dialogue was already decided in Dubai (making an implicit reference to the fact that the mandate of the dialogue was placed in the finance section of the GST outcome, which in effect would guide the mandate of the dialogue). India, China and Egypt aligned with the position of LMDC. Group SUR said form should follow function and that there was a need for respecting the original mandate for creating this dialogue, which was in the finance section of the GST outcome. AILAC and LDC stressed the need for the dialogue to focus on the implementation of all outcomes of the GST, with a particular focus on finance, capacity building and technology.

Developed countries like the **United States (US)**, **European Union (EU)**, **Canada** and **Norway** on the other hand expressed the need for having a wider scope in the work of the dialogue such that it focused on all aspects of the GST outcome.

In relation to the latest iteration of the text, developing country groups and Parties like the **LMDC**, **African Group**, **India**, **China**, and **Iraq** maintained their preference for having the scope of the dialogue on finance, which was reflected in option 1 of the text, the key part of which reads as

follows: "Agrees that the United Arab Emirates dialogue on implementing the global stocktake outcomes will focus on financial support from developed countries to developing countries for implementing nationally determined contributions and national adaptation plans and on tracking progress in the delivery of the new collective quantified goal on climate finance;"

Some developing countries like the **AILAC** and **LDCs** shared their preferred option for the scope was reflected in option 3, but said that the way in which it was detailed, it was "not reflecting properly" all the elements and suggested refinements to be made to the option.

The **Republic of Korea**, for the **Environmental Integrity Group** also supported option 3, adding that the dialogue "cannot replace the tracking of the NCQG".

The key part of option 3 reads as follows: "Agrees that the United Arab Emirates dialogue on implementing the global stocktake outcomes will facilitate comprehensive consideration of collective progress in implementing the outcome of the first global stocktake with a focus on the provision of finance, as well as capacity-building and technology transfer;"

Among developed countries, **EU** and **US** said they preferred option 2, key parts of which read as follows: "Agrees that the United Arab Emirates dialogue on implementing the global stocktake will outcomes facilitate comprehensive consideration collective progress of implementing the outcomes of the first global stocktake with a focus on the outcomes not covered by existing mandates or activities of constituted bodies and work programmes under the Convention and the Paris Agreement;

Decides that the United Arab Emirates dialogue will include consideration of opportunities to enhance collective progress in implementing the outcomes of the first global stocktake, steps taken in implementing the outcomes domestically and globally, barriers to implementing the outcomes, including barriers relating to means of implementation and support, and further decisions needed to implement the outcomes;"

The **US** also said that paragraph 15 of the text is a

"complete red line" and that it "has to be struck or we will not move forward with that text." Paragraph 15 reads as follows: "15. *Decides* that the summary reports referred to in paragraph 14 above will inform the second global stocktake. **Option 1:** and the revision of the NCQG on climate finance at CMA 11 (2029); **Option 2:** No text" With many contentious issues remaining, how the final gavel comes down will indeed be eagerly awaited, especially whether the 'Finance COP' will deliver an ambitious outcome on the new finance goal.