

## COP 29 begins work after delayed start

Baku, 12 Nov (Radhika Chatterjee\*): The work of the 29th meeting of UNFCCC's Conference of Parties (COP29) began with a bumpy start on Nov. 11 in Baku, Azerbaijan. Soon after **Mukhtar Babayev**, (the Minister of Ecology and Natural Resources of Azerbaijan) was elected as the President of COP29, the conference plenary was suspended for more than seven hours before the adoption of the agendas of all the four bodies, including COP29, the 6<sup>th</sup> meeting of the Parties to the Paris Agreement (CMA6), and 61<sup>st</sup> meetings of the Subsidiary body for Scientific and Technological Advice (SBSTA) and Subsidiary body for Implementation (SBI).

The suspension of the session was to enable informal consultations by the Presidency with Parties on issues in the provisional agendas, especially on the item of the 'United Emirates (UAE) dialogue on implementing the global stocktake (GST) outcomes referred to in paragraph 97 of decision 1/CMA.5' under 'Matters related to finance' in the agenda of (CMA6) (See [TWN update 1](#) for background on this and further details below).

Once the session resumed close to 8 pm, the agendas of all the bodies were adopted quickly, and work was launched.

In an unprecedented move, the Presidency also pushed through the adoption of a [decision](#) on Article 6.4 of the Paris Agreement (PA) related to carbon markets at the CMA6 session, which endorsed a new approach recommended by the Article's Supervisory Body Mechanism (SBM), without a detailed consideration of the matter by Parties in a contact group, as would normally be the case. This unusual procedural approach was criticized sharply by **Tuvalu** after the decision was gavelled. (See further details below).

### UAE dialogue

According to sources, consultations on this agenda item had been intense and took place over many hours, with no resolution in sight. (In fact, the in-coming Presidency had begun consultations with groups of Parties on various issues on the agenda, including on the UAE dialogue a few weeks before COP 29 already, and on Nov 10, had convened a heads of delegation meeting to find a resolution, which went on till the wee hours of the morning of the scheduled start of the Conference).

The key disagreement was over a footnote to the agenda item of the CMA 6 provisional agenda,

as the dialogue was placed under the agenda on 'Matters relating to finance' and that in the annotations to the provisional agenda, there was a footnote which indicated a request from the **United States (US)** and the **United Kingdom (UK)** for the item to be moved under 'Matters related to the GST' (instead of it being placed under 'Finance'. In response, the **African Group** had made a submission stressing that the dialogue should fall under "Matters relating to finance".

The disagreement stemmed from the issue of the scope and the future placement of the UAE dialogue. On the scope, developed countries and some developing country sub-groups, wanted to ensure that the placement of the UAE dialogue under 'Matters related to finance' should not mean that the scope of the dialogue is only finance and that the placement of the agenda item should not prejudice its placement in future sessions as well.

Other developing country sub-groups such as the **Like Minded Developing Countries (LMDC)**, the **Arab Group**, **African Group** and **Brazil**, were of the view that the scope of the UAE dialogue should remain finance, since it is under the finance section of the GST decision adopted in Dubai last year. They also said there should be no ambiguity over the scope of the dialogue in the footnote nor in the placement in future sessions since it belonged in its correct place.

Sources also revealed that following intense consultations, the Presidency suggested going back to reflecting a portion of the footnote that was in the annotations to the supplementary provisional agenda. It seems the LMDC had proposed the same solution late night on 10th Nov, but this was rejected by developed countries.

Eventually, prior to the adoption of the provisional agenda, the COP 29 President reported back on the consultations and that the UAE dialogue agenda item will remain under 'Matters relating to finance', with a footnote in the annotation that "The placement of this sub-item in the agenda does not prejudice outcomes on the modalities of the dialogue being considered under the SBI". (The CMA5 decision from Dubai had tasked the SBI to consider the modalities of the dialogue). The President also informed that he will provide adequate space for Presidency consultations to

discuss matters on the GST outcomes, while having complementarity with the SBI considerations, and regular updates will be provided, and that this understanding will be captured in the report of the proceedings. With this understanding, the CMA provisional agenda was adopted.

The huge delay over the 'agenda-fight' over this matter is an indicator of the tough negotiations ahead over the scope of the UAE dialogue, i.e. whether it is about 'all GST outcomes' or is only about 'finance' related outcomes.

After the Presidency gavelled in this agenda item, several Parties took the floor to deliver their statements. Developing country groupings like the **LMDC**, **Arab Group**, and the **African Group** expressed their support for keeping the item under matters relating to finance, while most developed country groupings insisted on the need for having a focus on all elements of the GST outcome, and ensuring that the placement of the item under finance matters does not prejudice the outcome of the work on modalities of the dialogue.

**Bolivia** for the **LMDC** said it supported the approach of the Presidency with the spirit of flexibility. It said the GST outcome was a delicate balance that was achieved in the UAE consensus. It added that the UAE dialogue is referred to in paragraph 97 of the GST outcome, which is part of the finance section of the decision. Therefore, "the dialogue must focus on finance support from developed to developing countries and tracking the delivery of the new collective quantified goal (NCQG)". It further added that Parties cannot renegotiate the UAE consensus and the PA, and that climate ambition and action needs to be enhanced without reopening agreed decisions. "We need to take forward implementation taking into account" the fact that "developed countries need to provide means of implementation to developing countries."

**China** for **Brazil**, **South Africa**, **India** and itself (**BASIC**) said having the item under matters related to finance was a good starting point for the session and that Parties can achieve success in this COP under the Presidency's guidance.

**Kenya** for the **African Group** said the UAE dialogue was in paragraph 97 of decision 1/CMA.5, which is "primarily focused on finance to

implement GST outcomes” and that “there is no ambiguity about this.”

**Saudi Arabia**, for the **Arab Group** said the mandate of the UAE dialogue comes from the finance section of the GST decision. Highlighting the balanced nature of the GST outcome, it said, “we had achieved a landmark and comprehensive outcomes as part of UAE consensus”, which was a “milestone in multilateralism, and preserved national nature of nationally determined” climate actions. It further added that it hoped that this would not change at COP29.

The **European Union (EU)** said though it had accepted the adoption of the item under matters relating to finance, it was still important for it to highlight that the purpose of the UAE dialogue is to follow up on the implementation of the GST. “It is unfortunate that the placement of this item does not reflect this view fully,” it added. Further, it said the placement of the UAE dialogue under finance matters should not prejudice the outcome of the dialogue and that it should not focus exclusively on finance related matters.

**Samoa** for the **Alliance of Small Island States (AOSIS)** said that the scope of work under the UAE dialogue was still to be decided. It stressed that its understanding was that space will be provided “to ensure that we are able to follow up on the GST energy package as a critical element of this COP.” Highlighting the importance of the GST outcome for Small Island Developing States (SIDS), it stressed the need for drastic emission reductions and expressed support for the implementation of GST to support deep emission reductions.

The **Least Developed Countries (LDCs)** too stressed the need to consider the GST outcome in its entire package.

The **Umbrella Group** said it had agreed to the adoption of the agenda item keeping in mind that “there are a range of views on the UAE dialogue.” It said that the placement of the UAE dialogue under finance “does not prejudice” matters related to the item. Recalling the GST outcome, it stressed on the need for delivering on goals like tripling renewable energy, doubling energy efficiency and transitioning away from fossil fuels.

**Switzerland**, for the **Environmental Integrity Group (EIG)** said it is critical that the GST is implemented in its entirety. Expressing concern about “Parties’ efforts to limit space” it said it hoped to create a meaningful dialogue to keep track of mitigation implementation.

### **Decision on Article 6.4 mechanism adopted**

The COP29 Presidency gaveled through a [decision](#) on Article 6.4 of the PA, with the CMA endorsing the new approach recommended by the SBM. The decision “welcomes the annual reports of the Supervisory Body for the mechanism established by Article 6.4 of the PA for 2023 and 2024, and the work of the Supervisory Body to operationalize the mechanism in response to the relevant mandates ...”. The decision also “Takes note of the adoption by the Supervisory Body of the “Standard: Application of the requirements of ... (Methodologies) for the development and assessment of Article 6.4 mechanism.” and the “Standard: Requirements for activities involving removals under the Article 6.4 mechanism”.

The decision further notes “that the Supervisory Body will expeditiously elaborate the standards referred to..., while striving to ensure regulatory stability, and will report on the progress made on the application of those standards in its annual report to the CMA, including on the need for further guidance, if any” and “reiterates...on its role to provide guidance to the Supervisory Body, as required,...which stipulates that the Supervisory Body shall supervise the mechanism...under the authority and guidance of the CMA and be fully accountable to it.”

The COP29 President remarked that the early adoption of a decision for the two Article 6.4 SBM’s standards would not only inspire all the other work in Baku, but also reassured that the decision does not mean the work on Article 6.4 will conclude. The President also said that a contact group will be convened for the CMA6 to provide further guidance to the SBM and take any further actions deemed appropriate.

**Tuvalu** took the floor after adoption of the decision and conveyed that it accepted this decision with some reluctance. It also warned that adopting a decision at the start of the CMA should not create a precedent for future CMAs or COPs, elaborating

that "Each Party, under the CMA or COP, has a mandate to report back to the CMA/COP, and time be given to have due consideration of the reports and the COP/CMA will make decisions based on the deliberations. Unfortunately, the way we started off in this manner with a decision does not reflect a Party driven process, and we are very uncomfortable with this." It hoped this will not be continued and wanted its statement to be recorded.

## Opening plenary

The morning of the first day began with opening remarks by the out-going COP 28 President, the Executive Secretary of the UNFCCC and the COP 29 President.

**Dr. Sultan Al-Jaber**, the COP28 President, said that the critical success factor for progress on climate action is finance and called for all sources both public and private, to make finance more available, affordable, accessible. Mentioning the progress made on the Loss and Damage Fund, which had received pledges amounting to US\$ 853 million, he stressed the need for converting these pledges into contributions and asked more Parties to contribute. He also urged all Parties to deliver on the new collective quantified goal (NCQG) on finance "that is robust and capable of fully implementing the UAE consensus."

**Mukhtar Babayev**, the COP29 President, said, "COP29 is an unmissable moment to chart a new path forward for everyone" and that the COP29 Presidency is resolved "to produce an ambitious and balanced package that delivers on all elements and takes the first GST forward."

Laying out the vision and priorities of COP29 Presidency, he said, "Our plan is based on two pillars: to enhance ambition and enable action. This means setting out clear, climate plans and delivering the finance we need. These two pillars are mutually reinforcing and send a strong signal to the other" adding that "because as we mobilize climate finance we allow for high ambitions." Elaborating on the importance of finance at COP29 he said, that the "top priority is to agree a fair and ambitious NCQG on climate finance. This must be effective and adequate to the scale and urgency of the problem. It must address the needs and

priorities of developing countries, including SIDS and LDCs, and it must include detailed qualitative elements." He also added that "we know that needs are in trillions, but there are different views on how to achieve that. We have also heard that the realistic goal for what the public sector can directly provide and mobilize seems to be hundreds of billions." While speaking about adaptation finance, Babayev said, "public money will be essential to enabling conditions. This is our last challenge to scale it up significantly beyond the doubling target for 2025." He also called for adaptation to be an important part of the NCQG.

On the NCQG, the COP 29 President said further that "we now urgently need to finalize the elements, resolve our differences on contributors and quantum and set the new goals. These negotiations are complex and difficult. We understand the political and financial constraints. But let me make two points. First, this number may sound big but they are nothing compared to cost of inaction... Second, we are all in this together...Let us remember how the goal helps us. It will send a strong signal to financial markets, provide greater certainty for long-term planning, build trust and momentum for collective action and hold us all to account. This goal is not a burden but an opportunity. We must invest today to save tomorrow."

Highlighting another priority, he added that the Presidency was determined to make progress on negotiations on Articles 6.2 and 6.4 of the PA (on carbon markets) so that high integrity carbon markets could be put in place. This was "long overdue" and "will help ensure protecting the planet ... by matching buyers and sellers efficiently. Such markets could reduce the cost of implementing nationally determined contributions (NDCs) by USD250 billion a year. In a world where every dollar counts, we now need funds to show a significant and flexibility to resolve all outstanding issues."

Babayev also stressed the need for accelerating work towards developing and transferring technology. "These are life-saving tools that must be available to all. So, we need to deliver on the technology implementation program here in Baku. Within the COP29 action agenda, we have opportunities for government, the private sector,

multilateral development banks, and everyone to play your part.” Further, he asked Parties to advance the climate process and its mission in the next round of NDCs so that the goal of (limiting temperature rise) to 1.5 degree C could be kept within reach. “These plans are the last chance to put the road on track and they should be informed by the first GST,” he added. He also mentioned the need for “transitioning away from fossil fuels in a just and orderly manner, taking into account different national circumstances, pathways and approaches.”

**Simon Steil**, the **Executive Secretary** of the **UNFCCC**, said, “we must agree a new global climate finance goal...No country is immune... let's dispense with the idea that climate finance is charity. An ambitious new climate finance goal is entirely in the self-interest of every single nation, including the largest and wealthiest. But it's not enough to just agree on a goal. We must work harder to reform the global financial system. Giving

countries the fiscal space they so desperately need.” He too expressed his support for making progress on Article 6 of the PA and said, “we must get international carbon markets up and running”. He added further that we need to move forward on mitigation, so that targets from Dubai are realized and the 1.5 degree C temperature limit does not slip out of reach.

He emphasised the need for agreeing on adaptation targets in the ongoing talks on the UAE-Belem Work Programme, adding that “you can't manage what you don't measure and we need to know if we're on a pathway to increasing resilience”.

With the launch of negotiations, Baku will also see the convening of a ‘World Leaders Climate Action Summit’ on Nov 12 and 13, which will be attended by several heads of states and leaders.

\*With inputs from Hilary Kung and Meena Raman.