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No Consensus on Just Transition draft text due to imbalances

Baku, 18 Nov. (Hilary Kung) – The UNFCCC's Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) did not conclude the consideration relating to the UAE Just Transition Work Programme (JTWP) and agreed to forward this matter to week 2 for further consideration at the 6th session of the Conference of Parties to the Paris Agreement (CMA6).

There is no draft text transmitted for further consideration at CMA6.

During the contact group morning of Saturday, Nov 16, the **G77 and China**, the **African Group (AGN)** and the **Like-Minded Developing Countries (LMDC)** had called for a more balanced text with their views reflected in the draft. It was learnt that the <u>G77 and China</u>, AGN and <u>LMDC</u> submitted their views on the draft decision text on JTWP prior to the start of the SB session here in Baku but these views were not reflected in the draft text proposed by the Co-chairs, **Georg Borsting (Norway)** and **Kishan Kumarsingh (Trinidad and Tobago).**

In the final session of the contact group, the **LMDC** and several other countries from the Arab Group expressed that they could not agree to the

Co-chairs draft text to be forwarded as the basis for further negotiations as it was not a balanced text without their views reflected.

In Baku, the main contentious issue in the JTWP developing is whether countries can successfully clinch an actionable workplan, bolstered by the means of implementation and international cooperation which would meaningfully support them in their just transitions. (See background information from TWN Update 1 and previous TWN update 12 from Bonn.).

India in the informal consultations during the first week stressed that "an exclusive focus on mitigation ignores crucial dimensions of resilience building and the need to address adaptation concerns". In response to developed countries, it said that "colleagues have said it is important to highlight the temperature goals of the PA. It is important to remember that this is a global goal and achieving it in a just manner, requires the consideration of global justice. This is fundamental. Our ability to deliver justice domestically is severely curtailed by the denial of global equity," emphasized India further. (See further details below).



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As for the matter of 'Response Measures', the SBs also did not conclude the consideration of the matters relating to the 'forum on the impact of the implementation of response measures and agreed to forward the matter to next week (under the COP, CMP [Conference of Parties to the Kyoto Protocol] and the CMA) for further guidance, taking into account the <u>draft text</u> prepared by the Co-facilitators. The main focus for the forum in Baku is to develop and recommend a 5-year work plan (2026-2030) for consideration and adoption.

JTWP - CALL FOR A MORE BALANCED TEXT

During the contact group on the morning of 16 Nov, **Nabeel Munir (Pakistan)**, the Chair of the Subsidiary Body for Implementation (SBI) and **Harry Vreuls (Netherlands**), the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA) entered the meeting room to provide guidance on the request of the G77 and China for more time to move into an informalinformal format to find bridging proposals, as many Parties expressed interest in doing so.

(The Co-chairs had earlier informed Parties that there is a hard stop at 12 pm as the closing plenary was planned for 5 pm on Saturday, 16 Nov. The SBI and SBSTA closing plenary eventually convened only around 10 pm due to intense discussions in various negotiation tracks).

The SB Chairs then agreed to give more time for Parties to continue in the room until 1 pm to work on an agreed text to be forwarded to CMA6. The **G77 and China** also called for a more balanced text so that views submitted by G77 and China and its subgroups could be reflected in the text before they move into an informal-informal setting, to which the SBI chair responded that he will leave it with the Co-chairs on how to enable Parties to work towards an agreed text in the remaining hours.

Bolivia, on behalf of the **LMDC**, reiterated the call for a balanced text and said that it will only be able to start engaging on the text once it incorporated its submission earlier - by just copy-pasting them as additional options in the draft text as a basis for negotiation.

Both the requests were not entertained by the Cochairs, who responded by saying "we have now moved into informal-informal" and were seen leaving the room while Bolivia was still speaking. (The informal-informal format is for Parties to discuss among themselves to find bridging proposals).

When the informal consultations resumed at 1pm on 16 Nov, there was no agreed text from the informal-informal session to be forwarded to CMA6.

Bolivia for the LMDC reiterated its willingness to engage constructively but was only able to move forward with a text that included all the views submitted by Parties as a basis for negotiations. It then read out its entire submission to put it on record. Some of the proposals include a decision: to have experts from Parties to participate (as speakers) in future dialogues (since governments have the hands-on experience in just transitions); to have a work plan; and also, a call for the prioritization of public financing over private investment mechanisms to ensure long-term stability, avoiding speculative markets that jeopardize achieving national just transition pathways in developing countries, among other proposals.

Saud Arabia explained that, "The premise of moving forward with a text is ensuring that we have a text that encompasses all of our views, which we have stated clearly and submitted in writing as well. This is not the case at the moment."

It then reiterated what points it expects to be in the draft before it can accept the text being forwarded to CMA6. Commenting on the draft text, it said, "This is the JTWP and yet the text risks perpetuating unjust pathways....In the context of this proposed text, we are not in a position to accept a text to be forwarded to the next session before it explicitly reflects our proposed elements within it." It reiterated that the JTWP "has its own mandate and agreed elements. It is not a mechanism for the Global Stocktake (GST) Implementation or follow up. We can't accept any draft text with references outside the mandate that we have agreed on in COP 28," said Saudi Arabia.

It also highlighted its position that equity drives just transitions and would like the following paragraphs be reflected in the text:

- "Expresses concern that the carbon budget consistent with achieving the PA temperature goal is now small and being rapidly depleted and acknowledges that historical cumulative net carbon dioxide emissions already account for about four fifths of the total carbon budget for a 50 per cent probability of limiting global warming to 1.5 °C";
- "Notes with concern the pre-2020 gaps in both mitigation ambition and implementation by developed country Parties and that the Intergovernmental Panel on Climate Change had earlier indicated that developed countries must reduce emissions by 25–40 per cent below 1990 levels by 2020, which was not achieved";
- "Emphasizes the inherent connection between the depletion of the total carbon budget consistent with achieving the PA temperature goal based on historical cumulative emissions, including as a result of pre-2020 gaps in developed country mitigation ambition and implementation, and developing countries pursuing just transition pathways,...;
- "Expresses concern that the projected level of emissions reported by Annex I Parties" in their fifth biennial reports under the 'with measures' scenario does not show any significant decrease between 2020 and 2030, noting that reported policies and measures may not be sufficient to meet the goals of the PA, with total emissions projected to increase by 0.5 per cent between 2020 and 2030, suggesting the actions are not sufficient to completely offset the impact of emission drivers or reduce emissions, impacting just transition pathways."

It also rejected the text on "recognizing the socioeconomic opportunities associated with transitioning away from fossil fuels", citing that it has never been discussed within the room. Saudi Arabia's and LMDC's intervention were supported by **Iran**, **Qatar**, **Oman** and **Kuwait**.

Kenya on behalf of the **AGN** also said that its proposal was also not reflected in the text. It then sought "assurances that its proposal will be captured and considered next week. If this can be done, AGN can work with others", it added further.

Some other developing countries like the Alliance of Small Island States (AOSIS), Nepal, Least Developed Countries (LDCs), and Group SUR, while expressing some concerns with the text, were willing to work with the draft and for its transmission to CMA6 for further work.

This was also echoed by developed countries including **Canada**, **New Zealand**, **UK**, and **European Union (EU), Environmental Integrity Group (EIG) and United States (US).**

When reacting to the text **Switzerland** for the **EIG** said it is a good text but missed any reference to private sector and enterprises in the draft text, for example paragraph 17 which states, *"Underscores* the multi-sectoral and multidimensional nature of just transitions and the resultant need for whole-of-economy approaches and *recognizes* that this includes significant socioeconomic opportunities associated with transitioning away from fossil fuels in energy systems."

India, in its intervention reacting to the earlier draft text during the contact group on 12 Nov, reminded Parties that, "There should be no renegotiation the decision we agreed to in Dubai, in terms of what we understand as the elements of the JTWP. We worked very hard in Dubai, to bridge our diverse understanding and arrive at a shared view of the elements important in the consideration of just transitions. It then said, "Just transitions for the work force is important, and it had never said it is not, but one must remember that in developing countries, there are not just the challenge of reskilling and diversification that it will face, but also the challenges of providing basic amenities to workers and communities - schools, hospitals, infrastructure- in effect the achievement of sustainable development is crucial even and in fact, especially for workers."

"An exclusive focus on mitigation (which some colleagues have termed "sustainable activities") ignores crucial dimensions of resilience building and the need to address adaptation concerns. Colleagues have said it is important to highlight the temperature goals of the PA. It is important to remember that this is a global goal. And achieving it in a just manner, requires the consideration of global justice. This is fundamental. Our ability to deliver justice domestically is severely curtailed by the denial of global equity," said India further.

When reacting to proposal to link JTWP to implementing the mitigation outcomes of the GST, India reminded Parties that, "It is also important to remember, that the GST relevant to mitigation would also include:

- discussions on finance;
- discussion on pre-2020 gaps in implementation;
- an emphasis on meeting the goals of the PA on the basis of equity and common but differentiated responsibilities & respective capabilities (CBDR-RC)."

"We have not heard any appetite to discuss these issues from colleagues. Why do we need climate action and in fact climate ambition from even the poorest regions of the world today?" ask India

Elaborating further, it said, "The crux of this is the inaction of those who are supposed to take the lead, and the refusal to undertake deep, rapid, and sustained reductions in emissions in regions with the highest capacity to do so. Any discussion that combines mitigation relevant lessons with principles of justice must foreground this key question. We have heard that climate action is at the core of sustainable development and poverty eradication. We would say that it is in fact the other way around. It is sustainable development and poverty eradication that will enable climate action. After all there are countries and regions that have achieved high levels of development without any climate action," responded India.

India concludes by saying, "Developing countries will be unable to achieve their climate ambitions and ensure that no one is left behind, both at the same time, only if there is recognition of the importance of sustainable development as a fundamental basis for just transitions. The dialogues that will be held in 2025 should include these core concerns of developing countries."

RESPONSE MEASURES

The SB did not conclude the consideration of the matters relating to the 'forum on the impact of the implementation of response measures' and agreed to forward the matter to next week (under the COP, CMP and CMA process) for further guidance, and also take into account the <u>draft text</u> prepared by the Co-chairs **Xolisa Ngwadla (Botswana)** and **Magnús Sigurðsson (Iceland)**.

The negotiations in Baku indeed saw another protracted fight by developing countries for the inclusion of a new activity in the 5-year workplan to analyse, assess and reports on the negative impacts of unilateral measures such as Carbon Border Adjustment Mechanisms (CBAM). This has always been rejected by developed countries. After much wrangling, this is now being included in the activity number 6 of the draft text, with a stronger language on unilateral measures that constitute a means of arbitrary or unjustifiable discrimination compared to the earlier version of the text.

The activity reads, "Analyse, assess and report on the impacts of measures taken to combat climate change, including unilateral measures that constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, on Parties with economies most affected by the impacts of response measures, particularly developing country Parties."

Further details on the mode of work in week 2 will be announced by the COP President during the plenaries on Monday (18 November). It remains to be seen whether this activity will be included in the final version of the workplan.