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# **BAKU CLIMATE NEWS UPDATE**

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# Subsidiary Bodies end work and transmit results to COP29

Baku, 18 Nov (Radhika Chatterjee, Meena Raman and Eqram Mustaqeem) - The UNFCCC's Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA), concluded their work at the 61<sup>st</sup> session in Baku, Azerbaijan, on Nov.16 and transmitted the results of their work on some key agenda items to COP 29 and the 6<sup>th</sup> session of the Conference of Parties to the Paris Agreement (CMA6).

The closing plenary, presided over by the SBSTA Chair, Harry Vreuls (Netherlands), and the SBI, Chair, Nabeel Munir (Pakistan) convened only around 10 pm, following very intense discussions among Parties on how to conclude the results of the work during the first week of the talks which commenced on Nov. 11.

On several agenda items, Parties agreed to continue the work in week 2 of the talks, with informal notes containing draft decision texts prepared by the co-facilitators of the consultations to capture the progress of work. These informal notes do not reflect consensus but Parties agreed to advance further work and negotiations on them, as a starting point.

However, on the agenda item dealing with the

Mitigation Work Programme [MWP], there was no consensus among Parties to work on the basis of the informal note prepared by the cofacilitators, given divergent views on the mandate of the MWP. [See details below].

The same is the case for the Just Transition Work Programme [JTWP], where some Parties viewed the informal note from the co-facilitators as not reflecting their views, and therefore imbalanced, to be a basis for further consideration. [See separate article for details on the JTWP].

On the matter of the UAE Dialogue on paragraph 97 of the Global Stocktake (GST) decision adopted in Dubai last year, which is under the "finance" heading of the section on "means of implementation and support" (MOI), there was consensus to work on the basis of the informal note of the co-facilitators, with the scope of the dialogue being most contentious, containing options for further negotiations. [See details below].

On the Global Goal on Adaptation, Parties agreed to forward a draft text for further discussions to be conducted under the CMA. (See details below).



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Meanwhile, on the new collective quantified goal on finance (NCQG), which is a matter not under the Subsidiary Bodies but under the CMA, work is progressing to advance the critical negotiations this week, given the Baku COP is labelled as a 'Finance Cop'. (See separate article on this).

Ministers have begun to gather in Baku for the final stretch of the negotiations which continue to see disagreements on many fronts.

According to a note shared by the COP29 Presidency to Parties, the Presidency plans to carry forward work under three tracks: "Ministerial consultations focusing on outstanding political issues; Continued technical work on a limited set of issues, into which emerging political agreements can be incorporated; and complimentary presidency consultations." The Ministerial pair for mitigation are Tore Onshuus Sandvik (Norway) and Dion Travers George (South Africa).

#### MITIGATION WORK PROGRAMME

Parties could not achieve consensus on the work of the MWP. This was announced at the SB61 closing plenary the SBSTA Chair Vreuls, announced that "Parties have considered this matter" and the "item will be included in the provisional agenda of next session in accordance with ...and Rule 16." [Rule 16 of the UNFCCC's draft Rules of Procedure provides that "Any item of the agenda of an ordinary session, consideration of which has not been completed at the session, shall be included automatically in the agenda of the next ordinary session"].

[However, the MWP matter is also on the agenda of the current CMA session (CMA6). Given the lack of consensus over using the informal note produced by the co-facilitators, **Ursula Fuentes (Germany)** and Maesela John Kekana (South Africa) as basis for further negotiations, how the mode of work will continue on this matter remains to be seen].

The key area of divergence amongst Parties regarding the way forward on the MWP was the issue of whether or not the informal note produced by the co facilitators "under their own authority" should be considered as a starting point for further negotiations.

Developing countries like the Like-minded developing countries (LMDC), the African Group (AGN), and the Arab Group expressed concerns about several elements of the note going beyond the mandate of MWP as provided in decision 4/CMA.4. They said several elements of the note proposed using the MWP as a vehicle for implementation of the GST, which went against the "non-prescriptive, non-punitive, facilitative. respectful of national sovereignty and national circumstances." (See TWN update for more details). At the closing plenary, LMDC requested for the application of Rule 16 to the consultations held under SB61. Group SUR ((Brazil, Ecuador, Paraguay, and Uruguay) said the MWP should be a "safe space for implementation" and that it favoured continuing talks but without the "base text" that was produced by the co-facilitators of MWP.

[Among the most controversial paragraphs referred to from the informal note was para 32 which "Urges Parties to (a) phase out unabated coal power generation in energy systems globally consistent with keeping the 1.5°C temperature goal within reach; (b) immediately end permitting and construction of new unabated coal-fired power plants and phase out existing unabated coal power generation; (c) phasing out fossil fuel subsidies that do not address energy poverty or just transition, as soon as possible"....].

During the informal consultations on the MWP, the **LMDC** and **Arab Group** rejected the note and asked the co-facilitators to produce another streamlined version of the note that was within the mandate of MWP, while developed countries insisted to continue consultations on the basis of the note.

Developed countries and some developing countries like the Alliance of Small Island States (AOSIS), the Independent Alliance of Latin American and the Caribbean Nations (AILAC) and Least Developed Countries (LDCs) wanted to adopt a procedural conclusion for MWP instead of applying Rule 16, as they wanted reflection of the progress made during the informal consultations held in the first week.

At the closing plenary of the Subsidiary Bodies (SBs), **Bolivia** for the **LMDC**, said, "we tried really hard for an outcome, but it is unfortunate that we

could not find agreement among us. Rule 16 should be applied....We are deeply disappointed that we have been termed blockers in the mitigation room. This is deeply disrespectful, untrue and not in good faith. The fact is the views expressed by our partners are so far out of the mandate that it became difficult to find even a common starting point. Allow us to restate the mandate of the MWP. The MWP is to: ensure a facilitative, non-punitive, and non-prescriptive outcome and approach; respect national sovereignty and circumstances and the nationally determined nature of Nationally Determined Contributions (NDCs); Ensure that no new targets or goals would be imposed. Instead, we heard of targets and outlandish proposals when really there has been no progress on finance. There is still only a zero in the NCOG discussions; no number; (and) no ambition. The ambition-support linkage must not be forgotten. Let us remember that this is a 'Finance COP' and we expect developed countries to deliver."

Highlighting the "huge mitigation gap" it said further that "the reason the decade has become critical (for emission reductions) is largely because of the inadequate action and unfulfilled promises by developed countries. Mitigation action by developed countries has not been forthcoming, even though the Convention and its Paris Agreement [PA] make it clear that the developed countries must take the lead on mitigation. What is forgotten, perhaps conveniently, is that developed countries have failed to achieve the IPCCrecommended target of 25-40 % emissions reduction by 2020 over 1990 levels; several of them have left the Kyoto Protocol, leaving a gaping hole in mitigation action. Further, the projected total greenhouse gas (GHG) emissions of Annex I Parties in 2030 are expected to be 0.5 % higher than in 2020. I repeat, higher. Developed countries are talking about reaching 1.5 °C while their actions and plans back home reveal the opposite. They have overused the carbon budget (for limiting temperature rise) and it seems that they don't want to leave any for developing countries. We have conveyed ... that we must stick by what we have agreed to, not depart from principles and provisions of the Convention and its PA." Referring to the venue of the COP, Bolivia said, that "This is a stadium but we must put an end to the games being played here. It's time to get serious. We urge our partners to stop trying to push the mitigation

burden on developing countries. Show leadership, pave the way for us. This is a legal obligation. Bring back the good faith (in the negotiations)."

Kenya, for the African Group, said, "we engaged constructively to find a landing ground; there was no convergence on the understanding of the mandate, and scope of the MWP. The Africa Group will not accept multiple elements of a top-down and prescriptive nature, which we are concerned will make it very difficult for Africa to move forward on the matter. We would like to reiterate that the existing modalities of the global dialogues and Investment forums (under the MWP) have been invaluable for Africa, and we can do with some enhancements and improvements. We think that it is not right to use the MWP as a placeholder for policy messages and GST elements. We stress that its purpose is to create an enabling environment for ambitious action. Efforts to transform the MWP into a platform for setting targets contradict the principles of national determination that underpin mitigation actions."

Saudi Arabia for the Arab group, said, "we have come to these discussions with a genuine desire to reach a decision on the MWP. We have been working diligently within the agreed mandate, a mandate that reflects our shared understanding. Yet, despite this, we see attempts to condition progress. Some are holding agreed elements hostage to push for additional outcomes outcomes that stretch far beyond the mandate we collectively approved. This approach undermining not only the progress we've made but also the trust in this process....The MWP mandate is clear: It ensures a facilitative, non-punitive, and non-prescriptive outcome and approach; It respects national sovereignty and circumstances and the nationally determined nature of NDCs; And it ensures that no new targets or goals would be imposed. These principles are not just words they are the foundation of this programme. They ensure fairness, equity, and respect for the diversity of pathways that each Party must navigate. Despite these clear guidelines, we now face efforts to undermine the essence of this process. Some are attempting to turn a facilitative, bottom-up approach into a prescriptive, top-down one. They are eroding the flexibility that developing countries depend on, fragmenting mitigation from the critical means

implementation, and sidelining foundational principles of equity, common but differentiated responsibility (CBDR) and the nationally determined nature of contributions." It further called on all Parties "to respect the mandate, honour our agreements, and work constructively toward a meaningful outcome."

Brazil for Group SUR said it had engaged constructively in the MWP discussions and even made a substantive proposal because it thought a new approach is needed. It added the focus now has to be on implementation and MWP has to "signify a safe space for countries to bring forward their mitigation efforts", and stressed that this would be "a space for implementation." Regarding the way forward for MWP discussions, it said, it favoured the continuation of discussions but with no "base text" [referring to the informal note that co-chairs of MWP had produced], but "in terms that Parties feel safer to debate this important matter."

India said, that it was "concerned about the progress we have made during the last week. We have seen no progress in matters that are critical for developing countries. Our part of the world is facing some of the worst impacts of climate change, with far lower capacity to recover from those impacts or to adapt to the changes to the climatic system for which we are not responsible. We notice a tendency to ignore the decisions taken in the past - related to the (MWP) and the context of the GST in the PA, where it informs the Parties for undertaking climate actions...Those with the highest capacity to take climate action have continuously shifted goalposts, delayed climate action, and consumed a highly disproportionate share of the global carbon budget. We now have to meet our developmental needs in a situation of depleting carbon budget increasingly increasing impacts of climate change. We are being asked to increase mitigation ambition by those who have shown no such ambition, either in their own mitigation ambition and implementation, nor in providing the means of implementation. This bottom-up approach is being attempted to be made into a top-down approach, in turn attempting to turn the whole mandate of the MWP and the principles of PA upside down."

It added that "for the past week in this 'Finance COP', we have been frustrated by an unwillingness

to engage on this issue by our developed country partners. If there are no means of implementation, there can be no climate action. How can we discuss climate action, when it is being made impossible for us to act, even as our challenges in dealing with the impacts of climate change are increasing?"

During the informal consultation preceding the closing plenary, India also raised the importance of delivering means of implementation (MOI) to developing countries by developed countries. It said, "...the discussions on MOI, access to scale and speed of finance and technology absent a facilitative intellectual property rights regime, present coercive unilateral measure isn't moving us from talk shop to actual action." Sharing its concerns about the informal note prepared by the MWP co-facilitators, it said, "we also want to highlight that there is also a procedural concern co-facilitators are expected to be the guardrails that what we discuss are within the scope and mandate. Many Parties have veritably pointed out that there is an imbalance in the reflection of issues. Many important issues are not receiving the attention it deserves, and the finance issue remains unresolved; yet there is continued pressure for increased ambition in this decade. ... We need to address these concerns properly before pushing forward. We can't move with the informal text in its current format. And this isn't to be read as reluctance to engage in the MWP but with the informal text with no locus standi within the scope and mandate."

United Kingdom (UK) said that though the MWP had a "slow start", Parties have "engaged in sharing views constructively" and that some progress has been made. Regarding the application of Rule 16 to MWP discussions, it said, "Rule 16 does not represent discussions on this agenda item" nor does it represent the progress that was made on it during the week. It wanted the adoption of a procedural decision and asked for the matter to be further considered at the CMA.

**United States** expressed its "deep disappointment about the pace and status" of the MWP and said there was a need for "an outcome that reaffirms and strengthens [the] GST decision and integrates its work into this programme... We will continue to pursue this matter under [the] CMA."

The European Union, Environmental Integrity Group, Australia, Norway, Canada, and Japan made similar remarks and asked for a procedural conclusion to be forwarded from the SBSTA and SBI to CMA for taking the work of MWP forward.

**Peru** for **AILAC**, said, the MWP is the "only space we have to address mitigation" and highlighted the "alarming findings of most recent scientific reports" coupled with recent instances of extreme weather events. It added that the co facilitators of the MWP, "acting within their authority and mandate had "presented a robust and inclusive informal note that reflected views of all Parties." It said, this note highlighted developing country priorities like the critical role of public finance, international cooperation, access to funding, addressing cost of capital along with "calls for action and enhancing mitigation ambition and implementation." It further added that discussions on mitigation are being deliberately obstructed even as developing countries continue to shoulder an overwhelming burden of loss and damage, adding that "a group of Parties [are] continuously trying to block consensus" and refused "to allow views to be reflected in the process." It said this "process does not impose obligations on any Parties" and that it is "essential to create momentum needed to enhance implementation." It called for "a procedural conclusion that reflects the fact that we agree that there is no agreement so far and we continue working on this next week."

**Samoa** for **AOSIS** said the MWP can be further discussed and that procedural conclusions "will be the best way forward". It said it needed to see an outcome on mitigation in this COP to make it a success. "We need a decision of substance on MWP", one which "showcases solutions from the global dialogues and investment focused events, integrates GST outcomes, speaks to our NDCs". **Bangladesh** for the **LDCs** made similar remarks.

After hearing all the interventions, the SB Chairs consulted amongst themselves. Following which the SBI Chair, Nabeel Munir, said that there was "no consensus on the UK proposal" and that rule 16 would be applied, since consideration of the item had not been concluded, and will be taken up in the next session.

#### **UAE DIALOGUE**

Consultations on the UAE dialogue concluded without the adoption of any procedural conclusions by the SBI. Parties agreed however to forward the <u>informal note</u> produced by co facilitators **Ricardo Marshall (Barbados)** and **Patrick Spicer (Canada)**. The SBI agreed to forward this matter to CMA 6 for consideration. Further guidance regarding the mode of work on this item will be provided by the COP Presidency on Nov. 18 during the plenaries of the COP/CMA.

The SBI recognized that this informal note includes divergent views on modalities, and that it has not been agreed upon, does not reflect consensus, is not exhaustive, has no formal status, is open to revision and does not prejudge further work to prevent parties from expressing any further views.

After the gavelling of the transmission of the informal note to the CMA, the **EU** took the floor and said, "The world expects COP29 to deliver on how we are making progress collectively and individually to implement the UAE consensus and all actionable calls in the GST decision. The EU had hoped to advance further on the modalities of the UAE dialogue.". It would like to see a follow-up on all elements included in the GST decision while having flexibility on where this takes place. All actionable calls in the GST decision, be it on adaptation, mitigation and energy transition or finance, need to get an operational follow-up.

**AOSIS** said that "In order to ensure that the most vulnerable are not left behind, in the GST, Parties agreed on measures that we would undertake collectively to move us closer to our stated objectives. It seems as though for COP 29, many Parties would like for us to conveniently forget what we agreed, or at the very least to put it on hold indefinitely." It made clear that "we cannot consider this process a success if there is no opportunity to advance on what we have agreed last year in the GST. Efforts to this are being blocked across agenda items. We are being invited to engage in collective amnesia when what we need at this time is to strengthen individual and collective action. We would urge you and other presiding officers to provide us with guidance on how we proceed from here. We are surprised and disappointed by the situation that has unfolded

thus far, and we hope that we'll be able to find common ground and move forward respecting the agreements we have made and working towards the implementation of the agreements that we have already reached."

During the discussions over UAE dialogue in first week, the key point of divergence centred around the issue of scope of the 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. The informal note forwarded from SB61 to CMA.6 lists four options on the scope in the following order:

- i.) "Financial support from developed to developing countries to implement their nationally determined contributions under the Paris Agreement and their national adaptation plans, and tracking progress in the delivery of the new collective quantified goal for climate finance, in accordance with the timelines and outcomes of the Paris Agreement to facilitate the revision of the NCQG as well as feed into the second global stocktake process;
- ii.) Implementation of all outcomes of the first global stocktake,;
- iii.) The implementation of all outcomes of the first global stocktake, with a particular focus on the provision of finance, as well as capacity-building and technology transfer;
- iv.) Financing the implementation of nationally determined contributions and national adaptation plans and the agreed climate goals and relevant outcomes of CMA 3, CMA 4, and CMA 5;"

During the informal consultations, developed countries like the **US**, **EU**, **UK**, and the **EIG** maintained that the scope of the dialogue has to be on all the GST outcomes. Option (ii) is the option proposed by developed countries.

Developing countries including the LMDC, Group Sur, and the Arab Group stressed that the focus should be only on finance related outcomes of the GST and not all the GST outcomes, showing a preference for option (i), while the Africa Group shared a similar proposal reflected in option (iv).

**AOSIS, AILAC** and **LDCs** have expressed a preference for focusing on the option 3, that provided for looking at all GST outcomes "with a particular focus on the provision of finance, as well as capacity-building and technology transfer."

## **GLOBAL GOAL ON ADAPTATION (GGA)**

During the first week, Parties worked tirelessly on the GGA with three issues being the most contentious-namely paragraph 39 of the two-year UAE – Belém work programme, the five elements of paragraph 38 and transformational adaptation in paragraph 46 of the UAE Framework for Global Climate Resilience. (Refer to TWN Baku News Update No. 5 for further details).

After four sessions of informal consultations were co-facilitated by **Tina Kobilšek (Slovenia)** and **Lamin Dibba (the Gambia)**, Parties could not conclude discussions and decided to forward the matter, along with the work-in-progress draft text to the CMA for consideration next week.

Opposition by developed countries to the inclusion of any language on the means of implementation (MOI) including its indicators, along with the reluctance to discuss a report by the secretariat on transformational adaptation by the LMDC, LDCs, the African Group and Arab Group were major points of contention that Parties would seek to bridge in the second week.

## NATIONAL ADAPTATION PLANS (NAP)

Co-facilitated by **Meredith Ryder-Rude (US)** and **Antwi-Boasiako Amoah (Ghana)**, there was a general sense of optimism amongst Parties as they made significant progress in finalising the draft decision text in the final hours before the SB closing plenary.

Building on the air of optimism in the room, **Fiji** on behalf of **G77** and **China**, proposed that discussions on the draft text continue in the second week to allow for Parties to conclude work on the text, a rare occurrence considering that NAP is a joint SB agenda item that is not under any of the governing bodies of the CMA or the COP. As Parties had consensus on the way forward proposed by the **G77** and **China**, discussions on the NAP will continue in the second week, hopefully with a successful outcome.