

## **Fate of the New Finance Goal hangs in the balance**

Baku, 18 Nov (Prerna Bomzan and Meena Raman)  
- The fate of the new collective quantified goal (NCQG) on climate finance hangs in the balance, as the Baku climate talks enter the second and final week of negotiations, scheduled to end Friday, Nov. 22.

Right from the start of work in the first week on the NCQG, developed country negotiators made clear that they will not be able to engage on text on the issue of the quantum of the goal and of the contributor base, as these are matters for their Ministers (for the second week of the talks, starting Monday, Nov 18).

The elephant in the room is the likely exit of the United States (US) from the Paris Agreement (PA) once the Trump Administration is in office, abdicating any responsibility for the provision and mobilization of climate finance to developing countries. While developing countries are calling for at least USD1.3 trillion per year, from the floor of USD 100 billion, whether there is political will from the remaining developed countries to provide a significant quantum in public resources remains to be seen. According to sources, there is a call from some developing countries for the provision of public resources of at least USD 600 billion per year, out of the USD 1.3 trillion per year

for the 2025-2029 period, with the remainder mobilized by developed countries.

(The NCQG is a highly anticipated key outcome to be delivered in Baku, which has been dubbed as a 'Finance COP' and has been heavily mired in a North-South divide on the following contentious issues that have dominated the negotiations: on the quantum of the goal; mandate of the NCQG – whether mandatory or voluntary; linkage to the Convention or not; structure of the goal – whether single layer or multi-layered [whether from public resources of developed countries only or also including a mobilization and investment goal not limited to only coming from developed countries]; contributor base – who pays; the recipient base – who receives; role of the private sector, multilateral development banks (MDBs), international financial institutions (IFIs) and domestic resource mobilization in the achievement of the goal; the timeframe and revision of the goal; among others. (See [TWN Update](#) for a detailed background).

Evening of Saturday, 16 November, at the closing contact group co-chaired by **Zaheer Fakir (United Arab Emirates)** and **Fiona Gilbert (Australia)**, a draft decision text (not

public) with no consensus was transmitted to the COP29 Presidency paving the way for ministerial work in the second week of the annual climate talks.

The closing contact group with a concrete deadline of the morning of 16 Nov had been extended by the COP 29 Presidency until 5:00 pm to further streamline the draft decision text. However, sources said that work conducted in ‘informal-informal’ (inf-inf) discussions with only Parties participating in an informal setting to thrash out divergences, did not conclude in a consensus.

The process that resulted in the final transmission of a no-consensus draft text to the COP Presidency unfolded as follows.

The first iteration of the draft decision text was produced by the Co-Chairs on 13 Nov, after hearing views from Parties at the opening contact group on 12 Nov, when they presented the [substantive framework for a draft negotiating text](#) on the NCQG which was produced under their own authority and which was received with mixed reactions with developing countries rejecting it while majority of the developed countries willing to take it as a basis of negotiations albeit expressing disappointment that not all of their views are reflected, nonetheless, providing the mandate to the Co-Chairs to produce a draft decision text.

Developing countries represented by the **G77 and China** said that the substantive framework presented “cannot be accepted as a basis for negotiations” and requested the Co-Chairs to produce a text before the next session with the following requirements:

“1. The NCQG must be ambitious - informed by the evolving needs and priorities of the developing countries - we need to see an amount of at least USD 1.3 trillion per year from developed to developing countries with a significant provision component for adaptation, mitigation, and loss and damage.

2. An NCQG that is exclusively for all developing countries.

3. Aligned with the Article 4 of the Convention and Article 9.1 and 9.3 of the Paris Agreement and decision 1/CP.21 paragraph 53, and in line with the principles of equity and CBDR-RC, the goal is the

sole obligation of developed countries to provide and mobilize climate finance to developing countries. We cannot accept any text as a basis for negotiations that includes criteria to shift developed countries’ obligations onto developing countries.

4. A provision and mobilization goal from developed countries to developing countries only. NCQG is not an investment goal. A global investment goal does not fit the mandate and is not a subject of negotiation neither does it reflect the evolving needs and priorities of developing countries.

5. Brackets [denoting no consensus] should only be used to indicate options; therefore, no other brackets should be included.

6. The NCQG text must clearly outline what does not count as climate finance under the goal from an accounting perspective, including non-concessional loans and export credits which cannot count towards the progress on the delivery of the goal.

7. Resources under the NCQG must be new and additional, predictable, adequate, affordable, grant-based and concessional, enhancing fiscal space without creating fiscal constraints, non-debt inducive.

8. There cannot be any conditions for finance access, and all elements of the goal must respect countries’ sovereignty.

9. Dis-enablers of finance often exacerbated by and within developed countries including through an asymmetric international financial architecture must be addressed to enable access to quality and concessional climate finance and decision-making by developing countries.

10. The Enhanced Transparency Framework is the basis for transparency and reporting of the NCQG and should not be renegotiated.

11. In addition to the NCQG, we call for developed countries to deliver the arrears of the USD 100 billion commitment to developing countries.

12. The NCQG must accurately reflect the establishment of operational features to give full effect to Articles 9.4 and 9.9) of the Paris Agreement in line with the needs and priorities of developing countries”.

Co-Chair **Fakir (UAE)** stated that the first iteration of the draft decision text will be produced the next day on 13 Nov reflecting the views heard from Parties and any written inputs received and it is learnt that the first iteration (not public) ballooned into a bulky 34-pager document.

At the first informal consultations on 13 Nov, in response to the first iteration of the draft decision text, the **G77 and China** said that the group is “willing to work based on the compilation” and further requested the Co-Chairs to “streamline the text and cluster it to make it easier to deal with. It stated that “in doing so, the Co-Chairs should not remove or add any new ideas from their side” and that the group needs the streamlined text ready by next morning. Further, “Parties reserve the right to come back with any inputs to the streamlined text or ask to go to the current one (first iteration)” and that the streamlining is “only for duplication” of text in the document. The suggestion of streamlining was also supported by developed countries.

Later in the night, the Co-Chairs’ streamlined version (not public) of the first iteration of the draft decision text was released and it is learnt that the text was only reduced by one page.

At the second informal consultations on 14 Nov, Co-Chair **Fakir** explained their work in terms of streamlining the text as per mandate given by Parties and sought guidance on how to move forward in the two days remaining given work needed to be concluded by the morning of 16 Nov.

The **G77 and China** thanked the Co-Chairs for their work and recognised that “there is more work to be done”, further requesting to “produce a synthesized text, by holding consultations with all groups, including G77 and China and allowing written inputs by 8:00 am (15 Nov) on how to synthesize the text and clarification of positions of groups”. It said that “the text must be a balanced and fair playing field to allow us to negotiate effectively in this process. We ask all Parties to not discuss the substance of the texts at this stage and to allow Co-Chairs to engage in consultations and to review written inputs with clarification on how to synthesise and on positions”.

Developed countries, namely, the **United**

**Kingdom, Canada, Norway, New Zealand, the European Union** and the **Environmental Integrity Group** however pushed for the need to engage “informally” and make progress on substance at least on areas of “convergence and commonalities” such as “access” and “transparency” whilst the Co-Chairs further streamlined the text.

In response, the **G77 and China** requested the Co-Chairs to “proceed with the synthesis” of the text and said that the group is “willing to engage on some areas - transparency, access, enablers and dis-enablers” as had been clustered in the text”. It also requested to move other finance agenda items (19 in all) to the next week in order to allow sufficient time for NCQG. Further, it requested the mode of work to be in “informal-informals (inf-inf)” format (among Parties only, with text on the screen).

It is learnt that the inf-inf work carried out on 14-15 Nov while waiting for the next iteration of the Co-Chairs’ streamlined text covered “transparency” and “access”, resulting in no agreed conclusions for any concrete textual proposals requested by the Co-Chairs, with the developed countries not demonstrating constructiveness to make progress.

In the night of 15 Nov, the third informal consultations were held where Co-Chair **Gilbert** presented the next iteration (not public) of the Co-Chairs’ streamlining of the first iteration of the draft decision text which is learnt to be a 25-pager document, and encouraged Parties to continue to engage with each other to move the text forward. Sources said that work in inf-inf continued until late night as well, as resuming for some time in the morning of 16 Nov however with no agreement on work done.

At the scheduled closing contact group at 10:00 am on 16 Nov, Co-Chair **Fakir** expressed deep disappointment about the absence of textual proposals from Parties stating that the Co-Chairs have reached a “saturation point” and were unable to further streamline the text. He said that the current streamlined version of the first iteration of the draft decision text (released night of 15 Nov), would be transmitted to the COP 29 Presidency or if Parties are to further work and make progress,

then to come back with “streamlined textual proposals that can be inserted into the document”.

**Saudi Arabia** for the **Arab Group**, in response to the text, stated that not all proposals as contained in the joint submission made by the Arab Group and the **Like-Minded Developing Countries (LMDC)** have been fully reflected and with some paragraphs dropped, requesting for reinsertion of their inputs into the text to which Co-Chair **Fakir** assured of inclusion but not insertion of new inputs.

Both developing and developed countries expressed interest for further work and the COP 29 Presidency thus extended the deadline by 5:00pm. However, the inf-inf work as mentioned earlier was in vain. According to sources, the discussions were focused on the issue of “access” but the work done was not eventually agreed to.

Finally, the 25-pager second iteration of the draft decision text (not public) in “brackets” (not agreed) incorporating the reinserted inputs from

the joint submission made by the Arab Group and the LMDC, along with the outcome of the inf-inf consultation on “access”, was eventually transmitted to the COP 29 Presidency.

In his [communication update](#) issued past midnight on 17 Nov, the COP29 President **Mukhtar Babayev** has announced that immediately after Monday’s plenary of the governing bodies (on 18 Nov), he will “initiate ministerial work on the most critical political issues” and that he will “invite the pairs of Ministers” that he has previously announced to “lead consultations on the issues deemed to require political attention, to make progress and facilitate compromise on outstanding issues’. The Ministerial pair on the NCQG are **Yasmine Fouad (Egypt)** and **Chris Bowen (Australia)**.

The final stretch of the negotiations is expected to be quite contentious, and whether and what the NCQG outcome will be is expected to be closely watched.