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# Baku Climate Change Conference: Tuesday, 19 November 2024

Discussions throughout the day showcased the many uncertainties surrounding the conduct of Global Stocktakes (GSTs) under the Paris Agreement and their follow-up in subsequent rounds of nationally determined contributions (NDCs). Negotiations also revealed the ripple effects of delays in the operationalization of market-based approaches under the Paris Agreement's Article 6.

## Finance

New collective quantified goal (NCQG): Heads of Delegation met in a drafting group.

**Matters relating to the Adaptation Fund (AF):** During the Conference of the Parties (COP) serving as the Meeting of the Parties to the Kyoto Protocol (CMP) and the COP serving as the Meeting of the Parties to the Paris Agreement (CMA) informal consultations, Co-Facilitator Isatou Camara (the Gambia) introduced the second iteration of the draft CMP and CMA decision texts, highlighting changes made, such as a placeholder for the NCQG.

Views remained divergent on referencing the resource mobilization target of USD 300 million set by the AF Board, with the ARAB GROUP opposing and the LEAST DEVELOPED COUNTRIES (LDCs), ENVIRONMENTAL INTEGRITY GROUP (EIG), EU, and others in favor. The EU, EIG, US, UK and CANADA opposed the NCQG placeholder, noting this will hold up the conclusion of discussions under this agenda item as the NCQG item is likely to conclude last.

On the paragraphs referencing gender-responsive finance and the 2024 SCF forum on gender-responsive climate finance, the ARAB GROUP, opposed by CANADA, the US, and others, preferred deletion of both paragraphs, citing their irrelevance to AF issues. He did, however, express flexibility to retain reference to gender-responsiveness of resources in line with agreed language from decision 3/CMP.18 (AF matters).

The ARAB GROUP and AFRICAN GROUP opposed any language on transition of the AF from the Kyoto Protocol to the Paris Agreement, while the EIG, EU, UK, and others highlighted this as a priority and supported retaining the relevant paragraphs.

Discussions continued in informal informals.

**Dialogue on implementing the Global Stocktake outcomes, referred to in paragraph 97 of decision 1/CMA.5:** In the CMA informal consultations, Co-Facilitators Ricardo Marshall (Barbados) and Patrick Spicer (Canada), invited comments on the draft text and emphasized this is the last day for technical work on this issue. They said further textual proposals should be submitted to the Presidency to inform political consultations. On scope, the INDEPENDENT ALLIANCE OF LATIN AMERICA AND THE CARIBBEAN (AILAC) called for expanding on its preferred option to explicate ideas, including considering all GST outcomes while reflecting on opportunities to improve the provision of finance and other means of implementation (MoI) for mitigation, adaptation, loss and damage, and international cooperation, and supporting climate action aligned with 1.5°C. The EIG, the US, CANADA, and JAPAN noted constructive informal discussions with AILAC on considering all GST outcomes through the lens of MoI provision.

The AFRICAN GROUP and others questioned the need to extend the dialogue to 2028. The LMDCs objected to a lengthy list of inputs, outputs, and non-party stakeholders. The EU, US, and CANADA urged avoiding "cherry-picking" specific articles of the Paris Agreement, while the LIKE-MINDED DEVELOPING COUNTRIES (LMDCs) stressed the need to reflect specific provisions.

### Mitigation

Mitigation Ambition and Implementation Work Programme (MWP): During the CMA informal consultations, Co-Facilitators Ursula Fuentes (Germany) and Maesela Kekana (South Africa) invited parties' input on the structure of the CMA decision, focusing on headings and main elements.

The AFRICAN GROUP proposed improvements to the global dialogues and investment-focused events, procedural elements relating to work in 2025, and additional guidance to the work programme's Co-Chairs on topic selection. The ALLIANCE OF SMALL ISLAND STATES (AOSIS) called for: reflecting the latest science, including on the urgency of addressing climate change; and more inclusive topic selection, noting most of the topics suggested by small island developing states (SIDS) were not taken up.

The EIG proposed: reflecting how the MWP can support NDCs' domestic implementation; and referencing the ability of the MWP to address the GST outcome. The EU suggested a progress report that considers collective implementation of the GST's mitigation outcome.

The RUSSIAN FEDERATION proposed recalling the Paris Agreement and opposed including "selective data" on best available science. On recommendations, she said the CMA decision should specify the timetable for future events and call for submissions of potential topics. AILAC suggested focusing on how to integrate climate action into spatial planning sectors and building policies, and proposed calling on parties, especially developed countries, as well as international finance institutions and multilateral development banks, to support capacity building to develop sustainable building solutions.

Further guidance on NDC features: In the CMA informal consultations, Sin Liang Cheah (Singapore) and Federica Fricano

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(Italy) invited views on two possible outcomes, noting the little time available: whether to develop further guidance on NDC features or prepare a decision with high-level reference to NDC features. They also asked if this issue should be discussed in the future and, if so, when.

Parties reiterated divergent stances on what NDC features are, the role of guidance in general, and the need for guidance on additional features. The EIG, the EU, AOSIS, the US, and AUSTRALIA supported continuing discussions at this meeting, while the LMDCs, the ARAB GROUP, and GRUPO SUR felt the discussions were premature. INDIA and the RUSSIAN FEDERATION called for concluding consideration of this item at this CMA session.

The EIG, AOSIS, and the UK suggested substantive work in 2025, including through a workshop; the US suggested tasking the SBs to prepare a decision for the CMA session in 2026; the REPUBLIC OF KOREA called for 2027; and the AFRICAN GROUP suggested 2028. JAPAN stated its flexibility, but said guidance should be provided by 2028 at the latest.

Co-Facilitator Cheah asked if parties were willing to engage in informal informal consultations, which the LMDCs opposed given the divergent substantive views. After further discussions on what should be included in any subsequent text, the Co-Facilitators said they would produce a draft outcome with options on the way forward.

Matters relating to the Clean Development Mechanism (CDM): During the morning CMP informal consultations, cofacilitated by Karoliina Anttonen (Finland) and Alick Muvundika (Zambia), parties reacted to a second draft text iteration containing a new section on timelines for the phased discontinuation of CDM operations, processes, and institutions. Parties' interventions focused on this section, along with a section with options for authorizing the transfer of funds from the CDM Trust Fund to the AF and/or Article 6 infrastructure implementation or capacity building.

AOSIS, the EU, AILAC, the EIG, NORWAY, and the UK supported the new section on timelines. The AFRICAN GROUP agreed on the need for such timelines, while BRAZIL and CHINA requested keeping the text bracketed. The LMDCs reiterated the group's opposition to termination timelines, noting linkages to Article 6.4 discussions.

On the transfer of funds, the EU and NORWAY made various clarification requests to the Secretariat regarding the availability of funds for transfer purposes over time. The Secretariat elaborated on the various uncertainties relating to liabilities from staff allocations and processing fees from issuances, noting an accurate estimate will only be possible once countries have decided on the deadline for issuances. The Secretariat noted that, with certainty, USD 12.78 million would be available for 2025. AOSIS stressed that the longer parties take to agree on the timelines, less funds there will be for adaptation.

Following a huddle, parties reported lack of agreement but willingness to continue discussions on the basis of the draft text.

In the afternoon, the Co-Facilitators reiterated the Presidency's request for clean, unbracketed text. INDONESIA, opposed by the EU, proposed extending the deadline for submitting new methodologies and requesting revisions to methodologies to 31 December 2025, and extending other related timelines by one year.

The main items of contention were the inclusion of deadlines for the phased discontinuation of the CDM's operations, and the destination of transfer of funds from the CDM Trust Fund. BRAZIL opposed any language on the former, as well as any reference to Article 6 in the text, including as the destination of funds from the Trust Fund. The EU expressed flexibility regarding the destination of funds and, with NORWAY, noted the unlikelihood of resolving this issue at this session. The UK emphasized they cannot consider any transfer of funds until a decision is made about winding down the CDM's operations. Other parties expressed flexibility about the destination of funds, whether to the AF only, to both the AF and Article 6.4 capacity building, or to both AF and the Article 6 infrastructure in general. Parties attempted to draft consensus text but could not agree on language.

In the closing contact group, the Co-Chairs noted lack of consensus on the text and reported they will forward the bracketed draft text to the Presidency.

#### Adaptation

Matters relating to the Global Goal on Adaptation (GGA): In CMA informal consultations, Co-Facilitator Tina Kobilšek (Slovenia) recalled that ministerial consultations will reflect on: priorities for COP 29; the indicator development process; MoI; and transformational adaptation. She stressed that the objective for the technical-level discussions is to clean up the draft decision text as much as possible so as to provide ministers with clear options to discuss.

Parties subsequently discussed the first section of the draft decision. On indicator development, SOUTH AFRICA, supported by the ARAB GROUP, proposed requesting the SB Chairs to invite experts to submit their technical reports six weeks before SB 62, and to move this paragraph to the timeline section. The EU, the AFRICAN GROUP, CANADA, and the RUSSIAN FEDERATION also shared their proposals and priorities for other paragraphs, prompting the Co-Facilitator to remind parties to proceed section by section and to refrain from discussing the whole draft decision at once.

Discussions will continue in informal informals.

**National Adaptation Plans:** In COP informal consultations, Co-Facilitator Meredith Ryder-Rude (US) invited parties to report back from informal informals. The G-77/CHINA noted that the conversations were gathering "critical force" but that there were still divergent views on numerous issues, and turned to the Co-Facilitators for advice. In light of the limited time left, the Co-Facilitators proposed to capture progress in procedural conclusions and continuing substantive debates at SB 62 on the basis of the draft decision prepared in Baku.

Parties agreed with this proposal, while CANADA suggested bracketing the latest edits made in track-change mode and calling the document an informal note rather than a draft decision. The ARAB GROUP, AOSIS, the AFRICAN GROUP, the LDCs, AILAC, and the LMDCs objected, saying that reverting to an informal note would mean losing much of the progress made at this session. The US proposed a compromise whereby the text in track-change mode would be bracketed, but the document would retain its status as a draft decision, which parties agreed to.

The Co-Facilitators will finalize the procedural conclusions.

#### **Other Issues**

**Technology implementation programme (TIP):** In the CMA contact group, co-chaired by Diann Black-Layne (Antigua and Barbuda) and Elfriede More (Austria), parties noted they reached a general understanding on the preamble and first four operative paragraphs of the draft text in informal informals. They highlighted further discussions are needed on whether the TIP is to be established under the CMA only or under both the CMA and COP.

The G-77/CHINA reiterated their proposal for a combination of: technical dialogues under the SBs, and regional dialogues organized by the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN); and implementation accelerators and innovation hubs hosted by the CTCN as a way to ensure the TIP's implementation. The EU supported the option for the TEC and CTCN to "build endogenous capacities to develop enabling environments for policy and regulation, national systems of innovation and enhanced access to finance," noting this is not mutually exclusive with the G-77/China's proposal. The UK stated that discussions on implementation of the programme are premature.

In a detailed discussion on the G-77/China's proposal to discuss climate technologies in the technical dialogues, SAUDI ARABIA proposed specifying carbon dioxide removal and carbon capture, utilization, and storage technologies. Many countries objected, preferring to keep the reference broad. BRAZIL suggested including a reference to stakeholder participation, including women, children, youth, and Indigenous Peoples. EGYPT, echoed by some, suggested adding "local communities" to this list. TÜRKIYE supported, and ZAMBIA objected to, mentioning public-private partnerships in relation to the topic on financial barriers and enablers to technology transfer.

The Co-Chairs will prepare an informal note.

**Provision of financial and technical support to developing countries:** In the CMA informal consultations, co-facilitated by Sandra Motshwanedi (South Africa), parties considered a list of potential elements for a decision, compiled in informal informal consultations. They identified five paragraphs with sufficient consensus for the Co-Facilitators to draft text, including for support to address both immediate and longer-term needs and an agenda item on the consideration and compilation of biennial transparency reports (BTRs). They acknowledged linkages to discussions on guidance to the Global Environment Facility and the NCQG. Informal informal consultations continued for the rest of the day.

**Procedural and logistical elements of the overall GST process:** In informal consultations co-facilitated by Thureya Al Ali (UAE) and Patrick Spicer (Canada), delegates continued expressing views on the draft CMA decision text forwarded by the SBs, mostly regarding sources of input, the timeline of the process, and thematic areas for the technical assessment.

On sources of input, parties again debated references to the Intergovernmental Panel on Climate Change (IPCC), with the EIG, the EU, and AOSIS in favor of recognizing the IPCC as the main source of the latest climate science, while EGYPT stressed balance between IPCC and non-IPCC sources. The EIG, supported by TRADE UNION NON-GOVERNMENTAL ORGANIZATIONS (TUNGOS), WOMEN AND GENDER, and INDIGENOUS PEOPLES, called for using gender-disaggregated data and ensuring participation of stakeholders, including Indigenous Peoples, women, youth, children, workers, and persons with disabilities, with the latter also echoed by CANADA and BRAZIL. EGYPT opposed, stating there is no reason to highlight this specific dimension for disaggregation, and stated that while ensuring stakeholder participation is important, including a list of groups is "excessive."

On the timeline and intersessional work, EIG supported a flexible timeline and ensuring that the IPCC's work is aligned with the GST. EGYPT and INDIA stated that the IPCC is a separate body and the CMA cannot issue requests to it. On thematic areas for the technical assessment, AILAC, AOSIS, the AFRICAN GROUP, and CANADA supported including loss and damage. CANADA also stressed that the language should not preclude emerging and cross-cutting issues from being thematic areas for the GST.

IRAN and QATAR, opposed by the EIG and CANADA, requested that all outcomes be agreed by consensus.

The Co-Facilitators will prepare an informal note.

**Report on the annual dialogue on the GST informing NDC preparation (referred to in paragraph 187 of Decision 1/CMA.5):** In the morning CMA informal consultations, cofacilitated by Kaarle Kupiainen (Finland) and Noura Alissa (Saudi Arabia), parties shared their preferences regarding the decision on this item. They converged on the usefulness of the dialogue held at SB 60.

The ARAB GROUP, with the LMDCs and supported by the RUSSIAN FEDERATION, called for "purely procedural" conclusions that note the Secretariat's report on the first annual dialogue (FCCC/PA/CMA/2024/5). The LMDCs underscored the group's opposition to any substantive messages in the text, cautioning against "cherry-picking" and noting the report does not represent a consensus and that NDCs are nationally determined.

Preferring more substantive text, AOSIS called for: referencing the need for provision of support to SIDS and LDCs; with the EIG, requesting that future reports contain the Co-Chairs' reflections on lessons learned; and, with the US, a summary of proceedings. The UK called for reflections from the report and text welcoming the participation of non-party stakeholders in the dialogue. AILAC identified specific themes to highlight, including how just transition principles are guiding the incorporation of energy transition elements from the GST decision (<u>1/CMA.5</u>) in NDCs. GRUPO SUR and the UAE called for highlighting the Roadmap to Mission 1.5°C initiative.

In the afternoon, the Co-Facilitators presented a draft decision text, noting it contains procedural elements and key messages that some parties wished to see.

The AFRICAN GROUP, INDIA, EGYPT, and CHINA did not see a need for key messages, in part because there was a lack of time to consider the report. The US highlighted messages, including that 2035 NDCs to be communicated in 2025 will represent a critical opportunity to limit temperature rise to 1.5°C and to reiterate that parties should aim for a quantified, economywide emissions target.

Parties debated the timing of the dialogue. The ARAB GROUP, INDIA, and CHINA preferred to state that the Dialogue concluded at SB 60, while AILAC, the US, CANADA, the UK, and CANADA preferred not to specify an end date, given that it is an annual dialogue and the mandate for the informal consultations is only to consider the report. The AFRICAN GROUP said the Dialogue should conclude at SB 62 (June 2025), given it is meant to help understand how the GST is informing parties' next NDCs, which are due in 2025. Informal consultations continued in the evening.

#### In the Corridors

On Tuesday it was all hands on deck. Heads of delegation met to discuss the new finance goal. Some had hoped for a "bolt from Brazil," namely political guidance from the G20 Summit in Rio. But the decision fell far short. Leaders of the richest economies simply "looked forward" to the goal's definition, "it is as if the goal will simply fall from the sky here in Baku," sighed an observer.

Small island developing states and least developed countries, on their end, tabled expectations for how much finance should go to their groups. "The money is there, it is just in the wrong place," underscored Fiji in the resumed high-level segment, referring to fossil fuel subsidies. Perhaps this helped loosen some tongues on developed countries' side. In any case, rumors of USD 200-300 billion in public finance started circulating, alongside news of a new text being released on Wednesday afternoon.

Negotiators working on national adaptation plans sadly terminated their revolution. After rallying against the Presidency to continue work in the second week, they ended up banking their progress for the next Subsidiary Body session. "The search for results today revealed baby steps at best," noted a tired delegate, as he left the venue.



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