

## Baku Climate Change Conference: Tuesday, 12 November 2024

After a first day full of downtime, awaiting resolution of the agenda discussions, the second conference day was replete with substantive negotiations. Informal consultations launched on a host of issues, with negotiations continuing in the evening and some groups meeting twice in one day. In another part of the venue, Heads of State and Government started delivering their national statements.

### Finance

**New Collective Quantified Goal:** Co-Chair Zaheer Fakir (UAE) opened the contact group under the Conference of the Parties (COP) serving as the meeting of the Parties to the Paris Agreement (CMA), stating that the aim is to produce a text during the first week that resolves technical issues and crystallizes options for ministers. Parties rejected the substantive framework for a draft negotiating text that the Co-Chairs of the *ad hoc* Work Programme on the new collective quantified goal (NCQG) had prepared ahead of the meeting ([FCCC/PA/CMA/2024/9/Add.1](https://fccc.pa/cma/2024/9/Add.1)), although a few suggested it could still be a useful tool.

The G-77/CHINA underlined that provision be from developed to developing countries and that new, additional, adequate, and affordable finance must address mitigation, adaptation, and loss and damage. The US opposed inclusion of loss and damage. Several developed countries objected to including “new principles,” such as burden sharing among developed countries.

On the quantum, the G-77/CHINA called for USD 1.3 trillion per year, with the LEAST DEVELOPED COUNTRIES (LDCs) detailing an allocation floor of USD 220 billion per year for the LDCs, and the ALLIANCE OF SMALL ISLAND STATES (AOSIS) setting the floor at USD 39 billion for small island developing states (SIDS). The INDEPENDENT ALLIANCE OF LATIN AMERICA AND THE CARIBBEAN (AILAC) suggested regional allocation floors. The ENVIRONMENTAL INTEGRITY GROUP (EIG), the EU, JAPAN, and NEW ZEALAND stressed the need to discuss the quantum in the context of the contributor base, instruments, and timelines.

On the structure, AOSIS, the LIKE MINDED DEVELOPING COUNTRIES (LMDCs), and the ARAB GROUP rejected an

investment goal, with some noting it could exacerbate inequalities against countries that traditionally do not attract much investment. The EIG, the EU, NORWAY, AUSTRALIA, JAPAN, the UK, the US, and NEW ZEALAND stressed an investment goal is in addition to the provision and mobilization target, and is necessary to steer investment toward energy transition.

On access, many countries called for greater ambition and detail than in the substantive framework.

On transparency, the G-77/CHINA proposed using the enhanced transparency framework, with AOSIS, the AFRICAN GROUP, the LMDCs, and others, stressing the need for clarity on what is not climate finance, such as export credits.

On recipients, AOSIS, the LDCs, the US, and CANADA, among others, stressed the special circumstances of LDCs and SIDS, with the EU, CANADA, NEW ZEALAND, AUSTRALIA, and BRAZIL underlining the roles and rights of Indigenous Peoples, women and girls, youth, and other vulnerable groups.

Parties mandated the Co-Chairs to produce a draft negotiation text, based on the views expressed and written inputs provided before 5 pm on Tuesday.

**Long-Term Finance:** The COP contact group was co-chaired by Madeleine Diouf Sarr (Senegal), who invited views on elements of a draft decision. Many developed countries urged acknowledging that the USD 100 billion goal was exceeded in 2022. Others disagreed that the goal was met, with the AFRICAN GROUP observing it is an annual goal, and one year’s results are insufficient. The LDCs, LMDCs, ARAB GROUP, and AILAC observed the lack of a common accounting methodology, which complicates assessing progress toward the goal. They expressed grave concerns that 69% of finance was in the form of loans. The LDCs, AILAC, and CANADA supported a call to scale up adaptation finance.

AOSIS, supported by the AFRICAN GROUP and ARAB GROUP, called for a placeholder in the COP decision to: characterize the NCQG as the successor to the USD 100 billion goal; and accept an invitation from the CMA to track NCQG progress under the long-term finance (LTF) programme. NORWAY, NEW ZEALAND, AUSTRALIA, and other developed countries disagreed, stating that the NCQG is to be defined under the CMA, not the COP. The Co-Chairs will produce a draft text.

**Standing Committee on Finance (SCF):** In the SBI contact group on the second review of the SCF, co-chaired by Clara Schultz (Sweden), parties could not agree on whether there should be a decision under the COP only or also under the CMA. The Co-Chairs will seek further guidance.

In a joint COP/CMA contact group, co-chaired by Ali Waqas (Pakistan), many welcomed aspects of the SCF's work. On a climate finance definition, the LMDCs called for a multilaterally-agreed definition and the ARAB GROUP suggested a work programme to undertake technical work on this until 2028. GRUPO SUR stressed the need to include developing countries as the recipients of climate finance in the definition. Several developed countries suggested concluding this work, noting this is the second report that identified the multiplicity of approaches and bottom-up nature of the Paris Agreement. Informal consultations will continue.

**Dialogue on implementing the Global Stocktake outcomes, referred to in paragraph 97 of decision 1/CMA.5:** During CMA informal consultations co-facilitated by Ricardo Marshall (Barbados), parties shared views on the dialogue's scope and modalities, with reassurances that the placement of this agenda item under matters relating to finance does not prejudice either.

On scope, groups reiterated their positions. On modalities, the G-77/CHINA suggested the dialogue be held in "creative and interactive ways" to facilitate exchange of ideas and lessons learned. There was broad agreement for the dialogue to meet annually at the June sessions of the Subsidiary Bodies (SBs), but views diverged on whether it should be under the Subsidiary Body for Implementation (SBI), Subsidiary Body for Scientific and Technological Advice (SBSTA), or both. Views also differed on the duration of the dialogue. AOSIS and NORWAY stressed that it should not overlap with the second Global Stocktake (GST 2), which begins in 2026, while the EU and AFRICAN GROUP supported for it to end in 2028, which is when GST 2 will conclude. In terms of output, some called for annual reports while others suggested a synthesis report upon the dialogue's conclusion.

## Mitigation

**Mitigation Ambition and Implementation Work Programme (MWP):** In SB informal consultations co-facilitated by Ursula Fuentes (Germany), parties discussed possible elements of a draft decision to be forwarded to the CMA. Many developed and developing countries called for reference to the next round of NDCs delivering on the 1.5°C goal. Several emphasized the need to capture high-level messaging on mitigation from the GST, with some noting this could also be done in a CMA cover decision and others pointing to the discussions on the dialogue on GST implementation as a suitable place. Informal consultations reconvened in the evening.

**Guidance on Cooperative Approaches referred to in Paris Agreement Article 6.2:** During SBSTA informal consultations co-facilitated by Maria AlJishi (Saudi Arabia) and Peer Stiansen (Norway), parties used draft text developed at SBSTA 60 as the basis of discussions.

The AFRICAN GROUP expressed flexibility about definitions, but noted the need to distinguish between internationally transferred mitigation outcomes (ITMOs) that are to be used for meeting other parties' nationally determined contributions (NDCs) and those to be used for other international purposes.

On the format of authorizations, AOSIS called for minimum mandatory elements and the development of a voluntary template that parties can use. Views remained divergent on the permissibility of changes to authorization, with some parties supporting changes before first transfer, noting authorization is a national prerogative, and others opposing any changes. Informal consultations reconvened in the evening.

**Rules, Modalities, and Procedures for the Mechanism established by Paris Agreement Article 6.4:** In SBSTA informal consultations, Co-Facilitators Kate Hancock (Australia) and Sonam Tashi (Bhutan) invited views on issues relating to authorization and the mechanism registry. Parties used draft text developed at SBSTA 60 as the basis of discussions.

The AFRICAN GROUP noted there is already a decision about the linkage between the mechanism and international registries, and any new decision must take this into account.

Most parties underlined that the authorization process should be identical or streamlined for both the Article 6.2 cooperative approaches and Article 6.4 mechanism.

AOSIS stressed authorization should be no later than issuance, noting retroactive authorization: will reduce the share of proceeds to the Adaptation Fund; and could result in flooding the market with an oversupply of units if parties "offload" their mitigation contribution units once they have greater certainty about achievement of their NDCs. She made proposals for addressing the issue of the share of proceeds to the Adaptation Fund. The Co-Facilitators will produce a streamlined draft text.

**Work Programme under the Framework for Non-market Approaches referred to in Paris Agreement Article 6.8:** SBSTA Chair Harry Vreuls (the Netherlands) opened the SBSTA contact group, with the Secretariat highlighting that: there are no non-market approaches (NMAs) recorded on the web-based platform yet; and 78 national focal points have been designated, up from 52 at SBSTA 60. Parties made recommendations for improving the work programme's second phase, including:

- using spinoff groups to deep dive into specific topics, with parties facilitating;
- developing measures to quantify the efficiency of NMAs and how these have supported parties' achievement of their NDCs;
- updating the web-based platform to enable the registration of individual NMAs; and
- clarifying how the web-based platform will perform matchmaking functions.

## Adaptation

**Matters relating to the Global Goal on Adaptation:** In SB informal consultations co-facilitated by Tina Kobilšek (Slovenia), parties discussed progress in defining adaptation indicators (FCCC/SB/2024/6). They agreed that further guidance to the expert group was needed to guide the refined indicator mapping.

There was disagreement on the substance, however. The G-77/CHINA stressed that the indicators should enable tracking of means of implementation, which the EU, UK, JAPAN, and CANADA, among others, rejected. Some delegations advocated dividing the indicators into two sets: binding, global indicators that track progress towards the Global Goal on Adaptation; and context-specific voluntary indicators designed to help parties respond to individual circumstances. The RUSSIAN FEDERATION said both global and local indicators should be voluntary.

**Report of the Adaptation Committee:** In SB informal consultations, Co-Facilitator Lina Yassin (Sudan) invited parties' views on the report of the Adaptation Committee (AC) ([FCCC/SB/2024/4](#)). The G-77/CHINA called for: increasing participation from all developing countries; strengthening collaboration with organizations from the Global South; translating the AC's knowledge materials into all UN languages; and further training and targeted capacity-building initiatives.

Various groups and countries welcomed the AC's support to the development of indicators for the Global Goal on Adaptation. SAUDI ARABIA called on the Committee not to be distracted by new mandates and to provide support to these only if requested.

Various groups and parties supported mandating the Co-Facilitators to develop draft text, opposed by the AFRICAN GROUP, who called for developing text on screen. The Co-Facilitators will consult with the SB Chairs on the matter.

**Review of the progress, effectiveness, and performance of the Adaptation Committee:** In SB informal consultations, co-facilitated by Lina Yassin (Sudan), parties debated whether the review should be conducted under the COP only, or also under the CMA. NORWAY proposed a bridging solution, suggesting that this review be finalized through a COP decision, while also initiating a new review under both COP and CMA to better reflect existing mandates. The AFRICAN GROUP, ARAB GROUP, and LMDCs opposed. Parties requested the Secretariat to provide legal guidance on the implications of the proposal.

### Loss and Damage

**2024 Review of the Warsaw International Mechanism:** In a mandated event, many parties expressed disappointment with the WIM's performance thus far, lamenting that it was a "low-ambition and insufficient" mechanism. Developing countries stressed difficulties in using the WIM's outputs due to their "detached, academic jargon" and language barriers. They suggested strengthening bottom-up approaches and involving practitioners, local communities, and Indigenous Peoples more actively. Delegates also proposed, among others, that the WIM produce annual reports on loss and damage needs and gaps.

### Other Issues

**Poznan strategic programme on technology transfer:** In SBI informal consultations, views diverged on how to address matters related to the Poznan strategic programme and the technology implementation programme established in the GST 1 decision. Some suggested addressing all technology concerns under the

technology implementation programme going forward, effectively closing consideration of the Poznan strategic programme. With respect to the operationalization of the technology implementation programme, many supported convening global and regional dialogues. Many developing countries also stressed the need to identify technology priorities to support implementation of NDCs.

**Just Transition Work Programme:** In an SB contact group co-chaired by Kishan Kumarsingh (Trinidad and Tobago) and Georg Børsting (Norway), parties gave general statements on key elements for inclusion in a draft CMA text. The G-77/CHINA and AOSIS highlighted their support for prioritizing adaptation and, together with AILAC, the LDCs, and the LMDCs, stressed the need to close implementation gaps. The EIG and EU called for a reference to the 1.5°C goal in operative paragraphs and ensuring that NDCs address the issue of just transition to enable action on the ground. The LDCs highlighted the need for skills-building and prioritizing grant-based funding over loans, and requested an assessment mechanism for tracking progress on just transition. The LMDCs highlighted the principle of common but differentiated responsibilities and raised concerns over finance gaps and unilateral trade measures. Informal consultations reconvened in the evening.

**Procedural and logistical elements of the overall Global Stocktake process:** These SB informal consultations, co-facilitated by Soraya Gargash (UAE) and Patrick Spicer (Canada), drew on an [informal note](#) from SB 60. There was broad agreement for more intersessional work to enhance early party engagement. Parties diverged on alignment between the GST and the Intergovernmental Panel on Climate Change (IPCC). The EIG supported aligning the IPCC's seventh assessment cycle with GST 2, opposed by the LMDCs, who stressed that "good science takes time" and that aligning the IPCC's work with the GST would be tantamount to "putting the cart before the horse."

**Matters relating to the Committee to Facilitate Implementation and Promote Compliance of the Paris Agreement:** In CMA informal consultations, parties supported the Committee's recommendation to postpone the review of its modalities and procedures until 2027, owing to the Committee's limited experience to date in implementing them. The Secretariat clarified that it is working towards addressing the Committee's recommendation for updating the NDC registry's archiving procedures to ensure that it reflects which NDC is currently active, as some parties will submit NDCs that will only take effect in 2030 while the previous NDCs remain active.

**Provision of financial and technical support to developing countries:** In SBI informal consultations, parties welcomed the Secretariat's efforts to provide support for reporting under the Paris Agreement. Developing country groups highlighted, among others:

- issues with regard to the transition between support for reporting under the Convention and the Paris Agreement;
- assessing financing needs to meet enhanced reporting requirements under the Paris Agreement and factoring that into

the next replenishment process under the Global Environment Facility (GEF);

- the need for in-house capacity building in developing countries; and
- delays in resource allocation by the GEF.

The Co-Facilitators will prepare draft text.

**Matters related to LDCs:** In SBI informal consultations, parties heard a report by the LDC Expert Group (LEG) on its work ([FCCC/SBI/2024/22](#)). The LDCs lamented that no new National Adaptation Plans (NAPs) had been submitted by LDCs in the past year. The LDCs also called for: more support for preparing NAPs; expediting the NAP preparation process; facilitated access to support; and further capacity building for direct access entities. As key elements to include in draft text, the EU identified: welcoming the LEG's work; providing clear modalities for the LEG's mid-term review; and highlighting both concerns and progress related to accessing support. CHINA called for highlighting: how developing countries other than LDCs can learn from LDCs' experiences, and the LEG's work to overcome barriers related to NAP preparation and implementation. Parties mandated the Co-Facilitators to prepare draft text.

**Gender:** In SBI informal consultations, Co-Facilitators Ruleta Camacho Thomas (Antigua and Barbuda) and Marc-André Lafrance (Canada) recalled that SBI 60 initiated the final review of implementation of the enhanced Lima work programme on gender and its gender action plan (GAP) and that parties agreed to continue this review at SBI 61 on the basis of bracketed draft text from SBI 60. They also invited parties to consider the 2024 report on gender composition ([FCCC/CP/2024/4](#)) and the synthesis report on the implementation of gender-responsive climate policies, plans, strategies and action ([FCCC/CP/2024/5](#)).

BRAZIL, the US, CHILE, CANADA, MEXICO and WOMEN AND GENDER called for considering intersecting and compounding vulnerability factors. Examples cited included age, race, disabilities, sex, and gender diversity. The RUSSIAN FEDERATION noted some terminology, such as gender diversity, is not acceptable to all parties. The AFRICAN GROUP, opposed by CANADA, MEXICO and others, suggested deleting reference to women and girls "in all their diversity" and replacing this with "from local communities."

The AFRICAN GROUP stressed next steps should focus on implementation and, with AOSIS, AILAC, CHINA, and BRAZIL, stressed this must incorporate means of implementation. AOSIS and the PACIFIC SIDS called for simplified access to climate finance for grassroots women and organizations, especially Indigenous Peoples and local communities.

Views diverged on whether to have a 5- or 10-year work programme. The US, YOUNGOs and WOMEN AND GENDER called for a 10-year work programme with a 5-year mid-term review, AUSTRALIA supported a 10-year work programme with a 5-year GAP, and the AFRICAN GROUP preferred a 5-year work programme.

The Co-Facilitators highlighted key areas for further discussion: financing and means of implementation; language on

human rights and diversity; and next steps, including the future work programme.

**Research and Systematic Observation:** In SBSTA informal consultations co-facilitated by Patricia Nyinguro (Kenya) and Frank McGovern (Ireland), parties suggested a draft decision should refer to, *inter alia*:

- the successful organization of Earth Information Day on 11 November 2024;
- the importance of adaptation and early warning systems;
- the World Meteorological Organization's Global Greenhouse Gas Watch initiative; and
- the work of the IPCC toward a special report on cities.

Several gaps in observation systems and data were pointed out, in particular in relation to the cryosphere, the ocean, and Africa. Parties disagreed over whether to note with concern that 2024 is on track to become the hottest year on record, with many countries supporting a statement to this effect, while the LMDCs opposed, saying that it is not single years, but long-term trends, that matter. Many delegates also highlighted the importance of data-sharing, including of historical archives, while the LMDCs requested more clarity on the scope of such data-sharing.

**Administrative, financial, and institutional matters:** In an SBI contact group, parties heard a report by the UN Board of Auditors ([FCCC/SBI/2024/INF.7](#) and [Add.1](#)). The EU echoed the auditors' recommendation for the Secretariat to inform and consult parties well in advance on the main elements of future budget cycles, to better take into account their concerns. Parties agreed to take note of the report, as well as those on the status of contributions and fees ([FCCC/SBI/2024/INF.11](#)), and the work programme of the Secretariat for the biennium 2024–2025 ([FCCC/SBI/2024/INF.9](#)).

### *In the Corridors*

In stark contrast to Monday, when delegates sat idly waiting for the agendas to be agreed upon, the second day of the conference featured bustling corridors and coffee queues.

The Leaders' Summit drove some of the foot traffic, and the opening remarks by Azerbaijan's President produced some fireworks. He denounced Western media's "slander campaign" against the host country and recalled that European countries sought out Azerbaijan's fossil fuel reserves to support the continent's energy security in times of crisis.

The negotiations on the new finance goal also drew sparks. Parties rejected the Co-Chairs' text as a starting point. Observers noted that "strange allies" emerged in those discussions: at one point, Saudi Arabia, a frequent recipient of the Fossil of the Day award, quoted from Climate Action Network's Eco.

Seemingly in an attempt to catch up on time lost, informal consultations convened well into the evening, with negotiators focused on issues such as the work programmes on mitigation and just transition meeting twice in one day. Across agenda items, parties gave mandates for the preparation of draft text—"surprisingly quickly for the process," as one exhausted delegate noted leaving into the night.