TWN

1

DUBAI CLIMATE NEWS UPDATE

PUBLISHED BY THIRD WORLD NETWORK

30 NOVEMBER 2023

What to expect at the Dubai climate talks

Dubai, 30 Nov (TWN) – The annual climate talks under the UN Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol (KP) and the Paris Agreement (PA) will take place from November 30 to 12 December in Dubai, UAE. Over 100 world leaders are expected at the high-level segment of the talks in the first week.

Governments attending the 28th session of the Conference of Parties to the UNFCCC (COP28), the 18th session of the KP Parties (CMP18) and the 5th session of the PA Parties (CMA5), will meet in conjunction with the 59th sessions of the Subsidiary Body for Implementation (SBI59) and the Subsidiary Body for Scientific and Technological Advice (SBSTA59).

The talks are taking place at a time when the world is in great turmoil and upheaval, as wars and conflict take place in many parts of the world, particularly in Gaza, where we are witness to the horrendous carnage and genocide taking place. The trust and good faith placed by the Global South in the value of international cooperation are rapidly diminishing, as human rights and long-standing multilateral commitments on climate action and international support are breached rather than respected, especially by those who claim to be their champions.

Against this backdrop, at a time when the world is getting hotter with scientists declaring 2023 to be the warmest year on record compared to the pre-industrial era, the trust deficit is widening between developed and developing countries.

The Dubai climate talks will indeed be in the spotlight, as the test unfolds under the first Global Stocktake (GST) process of the PA (see further details below), on whether there would be an honest and transparent assessment as to why governments have failed to reverse course on global warming and meaningfully address climate impacts, within the context of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) between developed and developing countries.

At the heart of the assessment will be whether developed countries own up to their historical responsibility for past emissions and their overuse of the carbon budget, or if they will shift focus on current and future emissions, passing on the blame to developing countries for not doing more, with the promised finance and technology transfer not being realised.

Among some of the many critical issues that governments will grapple with in Dubai are set out below.



Third World Network is an independent non-profit international research and advocacy organization involved in bringing about a greater articulation of the needs, aspirations and rights of the peoples in the South and in promoting just, equitable and ecological development.

Address 131, Jalan Macalister, 10400, Penang, MALAYSIA.

Tel 60-4-2266728/2266159 Fax 60-4-2264505 E-mail twn@twnetwork.org Website https://twn.my/

ADOPTION OF PROVISIONAL AGENDAS

At the opening of the talks, in issue is whether the provisional agendas of the COP/CMA/CMP and the Subsidiary Bodies will be adopted smoothly without delay and to launch work, or if there will be disagreements, given that 10 proposals are under consideration in the various bodies, proposed by some Parties or groups, with several of them expected to be highly contested.

Five have been included in the provisional agendas (in accordance with rule 10(d) of the draft rules of procedure), produced on 29 September 2023, while four have been included in the supplementary provisional agendas (in accordance with rule 12 of the draft rules of procedure), produced in late October and in November.

The incoming UAE COP 28 Presidency has been conducting intensive consultations with heads of delegations, including on 29 November, to find solutions to the new agenda items proposed, with the hope of avoiding delays in the adoption of the provisional agendas when the COP opens on 30 November. For further details on the agenda items, please see below.

THE FIRST GLOBAL STOCKTAKE

The first GST outcome from Dubai will be most keenly anticipated. The GST's objective is to assess the collective progress of Parties in achieving the PA's goals, including on mitigation, adaptation, and the means of implementation and support, in light of equity and the best available science. The issues of loss and damage as well as response measures are also being considered by the GST. The outcome of the GST is to inform Parties in updating and enhancing their nationally determined contributions (NDCs), and the process has therefore been viewed as a 'ratchet' mechanism for enhancing ambition on all elements of action and support.

In Dubai, the issue is how the decision text for the GST will be generated for negotiations to begin, given the many divergences along North-South lines on the various elements, especially relating to the historical responsibility of developed countries, their overuse of the carbon budget, pre-

2020 ambition, the gaps in implementation including on adaptation and the means of implementation etc. Apart from a decision text, will there also be a declaration containing the key political messages and how will this be generated? These are important issues to watch out for, once the contact group for the GST starts work.

In a recent <u>letter</u>, the COP28 President-designate, Sultan Ahmed Al Jaber's message reads, "The first GST will have a central role because of its crosscutting nature. We must ensure there is consensus on the way forward. The intensive work over the past two years means there is substantial material already available. The thorough technical phase and the valuable submissions by Parties have provided clear focus. I encourage Parties to engage on text for a draft decision as soon as possible, building on elements from various inputs".

The letter further highlights the intersessional workshop held in October this year in Abu Dhabi, on the possible elements of the GST outcome and says that the "momentum gained" and the "summary report on the refined elements of a GST outcome have been encouraging".

The <u>summary report</u> produced as an informal note by the SB Chairs informs that discussions on the possible elements were along the <u>indicative draft structure</u> agreed at the June session of the SBs, (See <u>TWN Update</u>) and guided by <u>bullets for possible elements</u> of a GST outcome.

The letter of the COP28 President-designate also states that during the World Climate Action Summit on 1-2 Dec, three high-level events will be held focused on the GST covering mitigation, adaptation, and the means of implementation. These events are "intended to provide political guidance for the consideration of outputs phase of the GST".

The high-level committee mandated to chair the events "will issue a summary of the events" and that the summary is "intended to contribute to the development of clear, political messages in the final CMA decision".

In addition, in their joint informal note, the SB Chairs state that informal consultations were conducted in November to "continue gathering

views on the revised elements of the GST outcome and elaborate on possible landing zones. We hope that Parties can enhance their understanding of the convergences and divergences among views on this prior to SB 59, which will enable them to move forward in considering the outputs of the process during the sessions and concluding the first GST".

LOSS AND DAMAGE

The two critical issues under the loss and damage agenda relate to the much-awaited operationalisation of the Loss and Damage Fund established by COP27 last year in Sharm el-Sheikh, Egypt, and the hosting of the Santiago Network's secretariat.

Operationalisation of the Loss and Damage Fund The operationalisation of the Loss and Damage Fund (LDF) is seen as a key outcome in Dubai.

The fifth meeting of the Transitional Committee (TC 5) which met in early November in Abu Dhabi managed to adopt the <u>draft recommendations</u> on the matter for consideration and adoption at COP28 and CMA5. The three-part package by the co-chairs' of the TC proposal comprises (i) the cover decision to operationalise the Fund and the funding arrangements (ii) the Governing Instrument for the Fund and (iii) the draft recommendations in relation to the funding arrangements.

TC5 entailed difficult negotiations, primarily due to the sole obstructionist stance of the **United States** on the sources of funding. The gavelling of the draft recommendations by the TC was considered a successful delivery of the TC's mandate. (See <u>TWN Update</u>).

The TC5 package outcome which got adopted after intense negotiations managed to resolve the difficult issue the location of the of Fund/Secretariat, primarily due to the massive demonstrated developing compromise by countries in agreeing to a World Bank Financial Intermediary Fund (FIF), as arrangement subject to conditions. The developed country TC members had aggressively pushed for the LDF to be a World Bank FIF, instead of it being a standalone fund as demanded by developing countries.

Further, developing countries had consistently demanded that the LDF be designated as an operating entity of the Convention's Financial Mechanism in accordance with Article 11. Hence, getting agreement on this at the TC was an important win to balance the outcome.

The big fight in the TC was over the recommendations in relation to sources of finance, which the **US** till the very end attempted to block, insisting that the obligation of developed countries to contribute to the LDF was voluntary in nature. The reference to "developed countries" having to contribute to the LDF was considered another major win given its fierce opposition by the developed countries led by the United States. (See <u>TWN Update</u> for more details on the substance).

Given the US's stance on the matter, it remains to be seen whether the recommendations will remain unchanged or if the text will be reopened in Dubai, which would unravel the delicate balance of compromises arrived at through intense negotiations at the TC.

Hosting of the Santiago Network on Loss and Damage

The Santiago Network on Loss and Damage (SNLD) was established at COP 25 to catalyse technical assistance for averting, minimising and addressing loss and damage in developing countries. At COP 26, the functions of the SNLD were agreed on and also that funds will be provided to support its functions.

At the SB58 intersessional in Bonn in June this year, there was no consensus on which agency would host the SNLD. There were two contenders viz. the Caribbean Development Bank (CDB) and a consortium composed of the UN Office for Disaster Risk Reduction (UNDRR) and the UN Office for Project Services (UNOPS). Both developed and developing countries have their preferences over the two options (See TWN Update).

SB58 agreed that further consideration of the issue would continue at SB59 taking into account the draft text in 'brackets' (denoting no agreement) prepared by the co-facilitators. It is hoped that resolution on this matter is found in Dubai.

ADAPTATION

The two critical issues under adaptation are the global goal on adaptation and national adaptation plans.

Global Goal on Adaptation (GGA)

One of the key decisions expected under CMA5 is on the adoption of a framework on the global goal on adaptation (GGA) which was pursued relentlessly by developing countries last year at COP27 as well.

Negotiations on the issue have not been easy and at the SB58 intersessional in Bonn, following a protracted deadlock, the entire work on the issue was salvaged at the very last minute in the form of an <u>informal note</u> produced by the co-facilitators, with no formal status and which states, "the content of the note is not intended to prejudge further work that Parties may want to undertake nor does it in any way prevent Parties from expressing other views that they may have in future".

The bone of contention lies with developing countries aiming for a comprehensive structure of the framework with the inclusion of targets/indicators while developed countries wanting to keep the framework very high-level without any targets and indicators.

Additionally, references to the principles of equity and CBDR&RC are again being contested by the developed countries and hence, appears as options in the informal note.

The usual sticky issue of the means of implementation is also a key fight with developed countries' preferring language option of "enabling conditions" in developing countries, which essentially shifts the burden onto the latter to attract finance.

The consideration of the informal note as the basis for a negotiating text and the eventual adoption of a comprehensive GGA framework guided by the principles of equity and CBDR&RC and a robust means of implementation will indeed demonstrate a significant outcome on the long-term adaptation goal in Dubai.

National Adaptation Plans (NAPs)

Negotiations on the NAPs have been tough with the <u>draft_text_elements</u> resulting from the SB58 intersessional entirely in 'brackets', which contains contentious issues including whether the NAPs agenda item should be continued or closed.

At SB58, developing countries represented by the **G77 and China** had proposed the inclusion of the NAPs as an agenda item under the SBI focusing on its implementation and had further proposed its continuation for the next five years.

The issue of means of implementation was again contested by developed countries, who are pushing for removal of references to their commitments including on doubling of adaptation finance for the formulation and implementation of NAPs.

Negotiations on the draft text elements will continue to be difficult, given the resistance of developed countries to make headway on the issue of finance for the implementation of NAPs.

MITIGATION WORK PROGRAMME (MWP)

At COP 27, Parties confirmed that the objective of the work programme "shall be to urgently scale up mitigation ambition and implementation in this critical decade in a manner that complements the global stocktake."

Parties decided "that the work programme shall be operationalized through focused exchanges of views, information and ideas, noting that the outcomes of the work programme will be nonprescriptive, non-punitive, facilitative, respectful of national sovereignty and national circumstances, take into account the nationally determined nature of NDCs and will not impose new targets or goals." (This was a grave concern to many developing countries).

It was also decided that implementation of the work programme will start immediately after CMA 4 and continue until its CMA 8 (2026), "with a view to adopting a decision on the continuation of the work programme at that session".

Two global dialogues were held this year, followed by what was called an "investment focused event". A report has been prepared by the Co-Chairs of the MWP, which will be considered by Parties in Dubai.

Despite the mandate of the MWP to not set global targets, the push by developed countries on having global mitigation targets such as the peaking of emissions by 2025, the setting of targets for renewable energy and energy efficiency as well as the phasing out of fossil fuels will certainly feature in discussions on mitigation, especially in the context of the GST.

The concern of some developing countries is that such targets are not linked to the provision of the means of implementation, are not equitable and do not reflect the realities on the ground where developed countries are actually expanding their fossil fuel production and consumption. These issues are certainly going to be highly contentious, especially when the principles of equity and CBDR-RC and the acknowledgement of the historical responsibility of developed countries are sidelined.

JUST TRANSITION WORK PROGRAMME

A new and significant outcome from CMA4 last year was the decision to establish a work programme on just transition on the pathways to achieve the goals of the PA. Parties also noted in the decision that the global transition to low emissions provides opportunities and challenges for sustainable economic development and poverty eradication, and emphasised that just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition.

The SB58 in June this year saw tough negotiations on how developed and developing countries envision the work programme on Just Transition Pathways (see TWN <u>update</u>).

In Dubai, the main difference is on the scope of the work programme as developing countries expect it to be broad, encompassing all-of-society and all-of-economy approach, covering all three pillars of sustainable development (social, economic and environmental), in the context of equity and CBDR-RC, while developed countries prefer it to focus on the just transition pathways for the workforce and primarily on the energy transition.

In terms of timelines, developed countries talked about a sunset clause of 2 years (for the work programme to end) but developing countries do not support setting termination dates, as there is no end date mandated by the CMA decision. Developing countries however are open to a review process at CMA9 (2027).

Several other areas are also likely to see divergences along the North-South lines, including overarching considerations related to the work programme, inputs, output/outcome and institutional arrangements. How this unfolds will be closely watched.

CMA5 will also see the convening of the first annual high-level ministerial roundtable on Just Transition, which is scheduled on Sunday, 3 December 2023.

FINANCE

Finance as a key means of implementation will dominate the talks under a number of agenda items under the different bodies.

One common refrain of developed countries in dealing with climate finance, especially in relation to the new collective quantified goal on climate finance (NCQG), has been the issue of "widening the contributor base", to include "other developing countries in a position to do so", as well as the private sector and the multilateral development banks (MDBs). Developed countries have resisted such proposals, saying that these depart from the provisions of the Convention and the PA.

Two high-level ministerial dialogues are scheduled on the NCQG (3 Dec), and on Article 9.5 of the PA (8 Dec), which is related to ex-ante information on climate finance to be provided by developed countries.

Article 2.1(c) of PA

The controversial issue of "Article 2.1(c)" of the PA is viewed by developing countries as being used by developed countries to impose 'green conditionalities' on them to access climate finance, with a lopsided focus on mitigation and undermining adaptation actions, when Article 2.1(c) speaks of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". (The

Intergovernmental Panel on Climate Change defines climate resilient development as the process of implementing greenhouse gas mitigation and adaptation measures to support sustainable development).

In this context, as mentioned earlier, the inclusion of the 'Sharm el-Sheikh dialogue on the scope of Article 2.1(c) of the PA and its complementarity with Article 9 of the PA' as a stand-alone 'agenda item 10(h)' under matters relating to finance has drawn controversy due to absence of common understanding or interpretation of the mandate, including divergent views against an agenda item. (See report on the two workshops convened in 2022 under the dialogue).

How this matter advances in Dubai will also be closely followed.

New collective quantified goal on finance (NCQG)

The decision from the CMA last year acknowledged "the need to significantly strengthen the ad hoc work programme on the NCQG in the light of the urgency of scaling up climate action with a view to achieving meaningful outcomes...and setting the NCQG in 2024 taking into account the needs and priorities of developing countries."

Developing countries have stressed the need to have a discussion on the quantum of the NCQG for some time now. However, developed countries have traditionally refused to engage in discussions on the quantum of the goal, in attempts to push this to discussions next year.

The eight technical expert dialogue (TED 8) took place on 28 November in Dubai, with the objective to "reflect on work done in 2023, including progress made to date and any issues that may require further attention" as well as to "focus on forward-looking discussions to drive progress toward setting the NCQG in 2024. (See report by the co-chairs on work done in 2023, including the TEDs with key findings on options identified for the NCQG).

Through the various TEDs held in 2023, the Co-Chairs' have prepared an annual report that has identified various options on the following elements: time frames of the NCQG; structure of the NCQG including quantitative and qualitative

elements identified; ways to determine the quantum and ways of framing the qualitative elements.

Discussions at TED 8 revealed calls from developing countries for stepping up the momentum and transition to a negotiating mode next year, including by having a draft decision text. The 2023 high-level ministerial dialogue on the NCQG is scheduled on 3 December and will be informed by the reports on the TEDs and submissions by Parties and non-Party stakeholders. A key issue under the NCQG ad hoc work programme will be determining the focus of the 2024 TEDs.

Key reports by Standing Committee on Finance

The other crucial issue is the adoption of the draft reports by the Standing Committee of Finance (SCF) on synthesis of views regarding ways to achieve Article 2.1(c) of the PA; doubling of adaptation finance; and clustering types of climate finance definitions in use.

The executive summary of each of the three technical draft reports were heavily negotiated paragraph by paragraph at the SCF's 32nd session. (See <u>TWN Update</u>).

PROPOSALS FOR NEW AGENDA ITEMS

Following is the list of the proposed new agenda items:

1. Sharm el-Sheikh dialogue on the scope of Article 2.1(c) of the PA and its complementarity with Article 9 of the PA.

Article 2.1(c) deals with "Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development", while Article 9 deals with the provision and mobilisation of finance by developed countries. This agenda item has been currently included under the CMA5 provisional agenda as a standalone item under 'Matters relating to finance' and is a proposal which has been advanced by the European Union the Environmental Integrity Group and is supported by other developed countries. Some developing countries on the other hand have not been supportive of its consideration given the lack of common understanding on the meaning and intention of Article 2.1(c) of the PA.

2. Mountains and climate change: highlighting the need for the protection of vulnerable mountain ecosystems while building the resilience of mountain peoples and economies to reduce loss and damage. This is a <u>proposal</u> by Andorra under COP28.

- 3. Special needs and special circumstances of Africa, which is a <u>proposal</u> by the African Group under CMA5.
- 4. Doubling adaptation finance as part of the efforts towards the implementation of decisions 1/CP.26, paragraph 11, and 1/CMA.3, paragraph 18, on adaptation finance, which is a <u>proposal</u> by the Like-Minded Developing Countries (LMDC) under CMA5.
- 5. Urgently scaling up financial support from developed country Parties in line with Article 4.5 of the Paris Agreement to enable implementation for developing countries, which is a <u>proposal</u> by LMDC under the CMA/SBSTA/SBI.
- 6. Operationalisation of the principles of equity and common but differentiated responsibilities and respective capabilities, in accordance with Article 2.2 of the Paris Agreement, which is a <u>proposal</u> by LMDC under the COP/CMA/SBSTA/SBI.

- 7. Seventh review of the Financial Mechanism, which is a <u>proposal</u> by the United States under CMA5.
- 8. Mission 1.5: Positive incentives for accelerating early-actions and policies that are nationally determined which is a <u>proposal</u> by Brazil under the COP/CMA/SBSTA/SBI).
- 9. Issues related to Article 3.9 of the KP, in conjunction with paragraph 1 and 7 of Article 21, which is a <u>proposal</u> by Brazil under the CMP18 for having a 3rd commitment period under the Kyoto Protocol for Annex 1 Parties (who are developed countries under the Convention.)
- 10. Concerns with unilateral trade measures related to Climate Change and their potential adverse impact on equitable and just transitions, in the context of sustainable development and efforts to eradicate poverty, which is a <u>proposal</u> by Brazil, South Africa, India China (BASIC) under COP/CMP/CMA/SBSTA/SBI.

As all climate change talks go year after year, it is not going to be an easy ride in Dubai and how Parties rise to the occasion in honouring what they agreed to in under the Convention and the PA will be closely watched and debated for sure.