

Key Issues for COP29

BAKU CLIMATE CHANGE CONFERENCE

Discussion Note

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This discussion note elaborates on specific areas that may require focused, and possible political, attention at the Baku Climate Conference in Azerbaijan in November 2024. Many of these issues will be addressed at ecbi's annual Oxford Seminar and Fellows Colloquium.

The Baku Climate Change Conference is expected to deliver on key decisions that are necessary for advancing achievement of the goals of the Paris Agreement, including those related to the [new collective quantified goal on climate finance](#) (NCQG), the mitigation work programme (MWP) and ambition in countries' nationally determined contributions (NDCs), the just transition work programme (JTWP), the global stocktake (GST) outcomes, Article 6 of the Paris Agreement, and the global goal on adaptation (GGA) among broader adaptation issues, as well as matters related to loss and damage. The discussions will, therefore, be key for informing the preparation of the next round of NDCs, which Parties to the Paris Agreement are due to submit in February 2025. These are critical to not only keeping the temperature rise trajectory to 1.5°C, but also in operationalising the COP troika Presidencies' [Roadmap to Mission 1.5°C](#). The key question in this regard is how Parties will respond to the calls formulated in the decision on the first GST, especially in terms of mitigation.

The outcome of the discussions on these issues will define climate action for years to come. This note presents a brief overview of key issues on these matters and other issues left unresolved at the Bonn Climate Conference in June 2024, and which will provide indicators for progress and achievement of the Paris Agreement's goals.

New collective quantified goal on climate finance

Almost 15 years ago, developed countries committed to an easy-to-grasp climate finance goal: USD 100 billion per year by 2020—a single quantum to be collectively achieved through an unspecified ratio of public finance provided by developed countries and mobilised private and innovative finance, with a significant share of the new adaptation finance flowing through the Green Climate Fund (GCF).

In the context of the adoption of the Paris Agreement, Parties agreed to define, prior to 2025, a new goal from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries. However, with less than six months to go until Baku, differences still remain with regard to expectations for this NCQG. The [latest paper](#) capturing progress in the discussions contains a long list of sometimes mutually exclusive provisions on most aspects of the NCQG.

The NCQG is shaping up to be much more complex than the USD 100 billion goal. Parties are envisioning a structured goal of sorts to address some of the shortcomings that manifested in the delivery of the USD 100 billion. One dimension of that structure are the areas of mitigation, adaptation, and potentially loss and damage. A second dimension is a layered perspective of types of finance/financial instruments: public finance as the core of the goal, complemented by private finance, and potentially broader provisions on finance flows. This structure would, for example, be conducive to setting a sub-goal for mitigation finance that focuses on concessional loans and significant private sector engagement, while a sub-goal on adaptation could have a stronger focus on grants, to account for the fact that adaptation action does not generally attract much private sector funding. This layered structure would also provide space to address other elements, such as subsidy reforms.

Unsurprisingly, the key contentious issues related to the NCQG are its envisioned contributors, recipients, and quantum—that is the ultimate magnitude of the goal, which many developing countries expect to be in the range of USD 1.3 trillion per year.

Main areas of divergence include developing countries underscoring developed countries' obligations in terms of climate finance provision, while developed countries are calling for a **broadening of the contributor base to reflect development realities**. Some are advancing a dynamic perspective of which countries are to provide funds based on criteria such as their GDP or greenhouse gas emissions. This would bring on board emerging economies like China, which currently provide support on a voluntary basis.

Parties are also debating **who would be eligible for support**. Fracture lines in this regard are less clear. Some developing countries defend the notion that all developing countries should be eligible recipients. Many Parties underscore the need to ensure support for the poorest and most vulnerable. While there is not much engagement over the use of GDP or vulnerability indices to define the recipient base, some are advancing the idea of minimum allocation floors for least developed countries (LDCs) and small island developing States. Some are also proposing considering recipients' mitigation ambition in a possible tailoring of the recipient base.

So far, there has not been much meaningful engagement over the **quantum of the goal**. This will be a hard bargain and depends on agreement on the contributor base and the layered structure of the goal.

One avenue being discussed is the definition of **distinct provision and mobilisation targets**. Such distinct targets would provide some security with respect to the provision of public finance, especially

since the mobilisation of private finance lagged behind expectations in the delivery of the USD 100 billion, but also with regard to the fact that public finance itself will not be sufficient to meet needs.

Some developing countries are also calling for clarity on **burden sharing among contributors** to enhance transparency and accountability. However, so far views from developed countries who use fair share metrics as internal benchmarks have not been aired in favor of multilateral burden-sharing provisions.

The goal's **time frame and possible adjustment over time** are other points that still must be addressed, especially with a view to ensuring that the NCQG is fit-for-purpose to support the Paris Agreement's objectives and aligns with relevant processes, such as the NDC and GST cycles.

Mitigation and implementation of the GST decision through the next round of NDCs

The GST decision includes several calls for Parties to contribute to global mitigation efforts, such as **transitioning away from fossil fuels** in energy systems in this critical decade to achieve net zero by 2050. It also encourages the next round of **NDCs to feature economy-wide emission reduction targets aligned with limiting global warming to 1.5 °C**, covering all greenhouse gases, sectors, and categories.

At the Bonn Climate Conference, Parties failed to reach agreement on the MWP—not even to capture discussions in an informal note or invite intersessional submissions—and the discussions were deferred to the 61st session of the Subsidiary Bodies in Baku. The Like-Minded Developing Countries (LMDCs) and the Arab Group objected to **engagement on the mitigation-related elements of the GST decision**, while the EU, Environmental Integrity Group (EIG), Alliance of Small Island States (AOSIS), Independent Association of Latin America and the Caribbean (AILAC), and others supported such engagement.

Accordingly, these discussions were particularly contentious. During the conference's closing plenary, many groups of both developed and developing countries alike expressed their frustration over what they considered to be tactics to block progress. This prompted the EIG to emphasize that mitigation “cannot be a taboo topic”. AOSIS underscored the **need for a substantive decision that informs the preparation of 1.5°C-aligned NDCs**, with the EU cautioning that there cannot be a good outcome in Baku without such substantive progress on mitigation. What is clear is that agreement on the MWP, also in the context of its linkages to the outcomes of the GST and NDC ambition, holds one of the keys to unlocking progress and paving the way to success at Baku.

Discussions on implementation of the GST decision were fraught with fundamental areas of divergences in Bonn, not only with respect to the mitigation work programme but also with regard to the negotiations over the modalities of a **dedicated dialogue on implementing the GST outcome**.

Parties have different views over “the origin story” of the dialogue and strongly diverge over its intended scope. Developing countries highlight that the paragraph that establishes this dialogue is contained in a GST decision section on means of implementation, specifically finance ([Decision 1/CMA.5](#), paragraph 97)—and that the dialogue should therefore provide a space to discuss **financial support for developing countries' implementation of the GST decision**. Developed countries, on the other hand, consider that the dialogue should serve to **track progress in the implementation of the GST decision**, with a focus on those elements not addressed in other processes. AILAC and the LDCs proposed that the dialogue follow up on collective implementation

progress across each actionable call in the GST decision, with a focus on identifying barriers in terms of means of implementation that hinder developing countries from scaling up ambition and implementation.

As a result of such divergences and inability to reach agreement, the discussions in Bonn raised doubts over the extent to which the next round of NDCs will facilitate the needed course correction identified in the GST decision. The Arab Group underscored the non-binding nature of the GST decision, noting it provides encouragement for the enhancement of NDCs but is not prescriptive. The EIG, conversely, argued against the framing of the GST decision as a “menu of options.” The LMDCs emphasized that NDCs are nationally determined and referenced developed countries’ lack of leadership in emission reductions and breach of finance commitments. The linkages among these key issues, and the clearly apparent negotiating trade-off discussions on mitigation and finance are likely to be among the main issues that will define success in Baku.

Other issues necessary for contributing to overall success in Baku

Progress on the GGA, established in 2015 as part of the Paris Agreement, has been slow. In Dubai, Parties adopted a framework for the GGA that includes a range of thematic and dimensional targets. In Bonn, they operationalized a process for **mapping adaptation indicators**. Baku will provide an important opportunity for Parties to reflect on initial progress in this regard and formulate further guidance for the technical experts engaged in the process, which is set to conclude at CMA 7 in 2026.

The **2024 review of the Warsaw International Mechanism for Loss and Damage** will allow Parties to reflect on the evolving institutional landscape on loss and damage, especially with respect to the [Santiago Network](#) and the new [fund for responding to loss and damage](#). Under other agenda items, Parties will also discuss a report by the new fund as well as its arrangements with the COP/CMA. Key sticking points in these discussions will be the **capitalization of the fund and its disbursement modalities**.

Negotiations will also continue on the JTWP. Once again, discussions in Bonn highlighted developing countries’ high expectations for this process, including with a view to discuss **international cooperation as an enabler of just transition pathways**. Parties will likely ponder a proposal by the G-77/China to develop a work plan for the work programme, which was launched in 2024 and—as is also the case with the MWP—currently consists of dialogues whose topics are to be defined taking intersessional submissions into consideration.

Other issues include:

- other finance issues, such as the USD 100 billion goal, the doubling of adaptation finance, finance flow alignment, and the CMA’s role in the review of the Financial Mechanism;
- the review of the implementation of the [Enhanced Lima Work Programme on Gender](#), considering Parties were only able to agree to procedural conclusions in Bonn;
- agreement and operationalisation of Paris Agreement **Articles 6.2 and 6.4**, providing a robust future for carbon markets;
- the number of countries that will submit their first biennial transparency reports (due by the end of 2024) ahead of the conference in Baku and how prominent discussions on **support for developing country reporting** will be.