



FAILURE IS NOT AN OPTION: UNFCCC NEGOTIATORS MUST ACT NOW ON JUST AND FAIR CLIMATE FINANCE

CIDSE reaction to UNFCCC SB 60 outcome
20 June 2024

Introduction

The [60th UNFCCC Subsidiary Bodies sessions](#) (SB 60) was held from June 3-13 at the World Convention Center in Bonn, Germany. While the negotiation agenda of SB 60 included a wide range of items, of main interest were the negotiations on the "new collective quantified goal on climate finance" (NCQG). The purpose of this new climate finance goal is to replace the current annual target of \$100 billion before 2025 by allocating more funds towards ambitious climate action in developing countries according to their needs, as previously agreed by Parties when they signed the [Paris Agreement](#) in 2015. This will not only enable them to deal with the immediate and worsening climate impacts, as well as losses and damages but also the implementation of climate-resilient, low-carbon solutions across key sectors such as transport, energy, and agriculture towards a sustainable development and future. With increased financial support, developing countries are expected to raise their climate ambition in the next cycle of national climate plans (NDCs) scheduled for 2025. Unfortunately, countries didn't make enough progress towards laying a solid foundation for the NCQG at the SB 60. The outcome was a draft negotiation text having widely opposing positions and many loose ends to tie especially on climate finance and other topics and to be pushed farther down to [COP29](#) in Azerbaijan later this year. Apart of the NCQG negotiations, the year 2024 on one side has to make clear how Parties plan to follow-up with the Global Stocktake Outcome decisions taken at [COP28](#), including the "transitioning away from fossil fuels" and on the other side, in 2024, Parties have to collectively set a high level of expectations for the next round of NDCs that is due early next year. The next round of NDCs determines whether the world community can course-correct for a 1.5°C degree pathway. Also, little progress was made on these important issues.

Context

At a critical decade demanding rapid and drastic emissions reduction, the new [Global Witness investigative report](#) revealed at the start of the SB 60, that the UAE COP28 Presidency and CEO of the Abu Dhabi National Oil Company (ADNOC), Sultan Al-Jaber pursued nearly \$100 billion of oil and gas deals while leading climate talks last year. This amount equals what developed countries failed to meet annually since 2009 until 2020 and 2021. Such oil and gas deals are a serious threat to the integrity of the Paris Agreement and the UNFCCC. The SB 60 negotiations were held with much reduced delegation quotas, and no access to a virtual conference platform because of the secretariat's current financial challenges. Further, the reduced preparation time during the pre-session period, and heavy workload but shorter negotiation sessions placed an increased burden on small Global South delegations, who were denied visas and had fewer resources for meaningfully engaging in these discussions. From the outset, the odds were stacked against the negotiations on climate finance provisions meant to support developing countries in implementing the Convention.

Key Takeaways

1. **On the New Collective Quantified Goal on Climate Finance (NCQG) and Innovative Sources of Public Climate Finance:**
 - Enormous time was lost in the first week as Parties mainly discussed the length, outline and scope of the draft text rather than engaging in substantive discussions regarding this new finance goal.
 - Tensions persist over issues such as the contributor base for climate finance, inclusion of finance for addressing loss and damage, and sub-goals for mitigation, adaptation, and specific country groups.
 - The core issue of pinning down the NCQG's size (figure or quantum) of the goal was avoided, although some Parties were calling for trillions of dollars annually.
 - The debate over historical debt and types of finance (whether it should be grants, loans, public, private, mobilised and overall flows), timeframe and transparency remain unresolved in the working paper.
 - The co-chairs were mandated to produce a revised text before the next negotiation session in October.
 - Clearly, there is a lot of work left to do before COP29 to get to an ambitious, justice-based, non-debt creating and accessible NCQG. We identify a pressing need to start working on these core issues at a political level long before the next negotiating session as compromise, bridge-building and political courage will be necessary to find a way through.
2. **On the Global Stocktake (GST) outcomes and Nationally Determined Contribution (NDC) ambition:**
 - In early 2025, Parties have to deliver 1.5°C aligned NDCs that equally make evident how each Party implements the GST Outcome for COP28, including for example how it plans to “transitioning away from fossil fuels”. However, Parties are sending different signals on how they are preparing their NDCs. While some refer to limitations set by the national political context, others make a strong link to the discussion around climate finance – as they need climate finance to implement ambitious goals. The lack of observed ambition in current NDC planning is very concerning, as the window for 1.5°C is closing rapidly.
 - For countries to deliver strong Nationally Determined Contributions (NDCs) or national commitments, the pace leading up to COP29 must accelerate, following the rather disappointing reading of statements during the GST Annual Dialogues at SB 60 in Bonn. The

COP Presidencies must take a more active role and support guiding the way towards 1.5°C aligned NDCs raising collective ambition and expectation.

- Mission 1.5°C is an initiative led by the Presidencies of the UAE, Azerbaijan, and Brazil (Troika) to ensure that the upcoming round of NDCs aligns with achieving the 1.5°C target. However, the Troika must clarify what "1.5°C aligned" entails in translating the Global Stocktake (GST) into NDCs. The time to act is now!
- More generally, the GST needs proper follow-up. Discussion around the UAE Dialogue on the implementation of the GST outcome showed that countries still need to find a clear view on how the GST outcome, in all its dimensions, is followed up with equity and justice.
- As countries start already preparing for the next GST cycle, it is important to stress inclusivity in all aspects of the GST process going forward.
- The Mitigation Work Programme (MWP) could be a space to discuss more concretely how to implement the energy transition. However, negotiations on the MWP were totally blocked by mainly two-party groupings that want the MWP to be completely detached from the Global Stocktake and NDCs. It is important that Parties find a way to unblock the talks and allow for progress.

3. On the Loss and Damage Fund

- During the [Third Glasgow Dialogue on Loss & Damage](#) (L&D), many parties raised the importance of including L&D as a sub-goal of the NCQG. This included Fiji, Indonesia, the Maldives, Vanuatu, the Marshall Islands, LDCs (Least developed countries) and AOSIS (Alliance of Small Island States).
- Parties highlighted current climate finance flows and drew attention to the need for grant-based L&D finance, provided through non-debt creating mechanisms.
- Civil society organisations gathered ahead of the second day of the Glasgow Dialogue (GD) to demand the inclusion of L&D as a sub-goal in the NCQG, the operationalisation and capitalisation of the L&D Fund, in the order of hundreds of billions, not hundreds of millions as has been pledged so far.

4. On Food systems and Agriculture

- A year and a half after the establishment of the [Sharm el-Sheikh Joint Work on the Implementation of Climate Action on Agriculture and Food Security](#) at COP27, Parties finally agreed on a roadmap between now through to COP31. This is a welcome development.
- The roadmap includes an annual synthesis report, an online portal to be presented at COP29 and two workshops that will be informed by Parties and observers. The first workshop is titled "Systemic and holistic approaches to implementation of climate action in agriculture, food systems and food security" (June 2025).
- The second workshop being on "Progress, challenges and opportunities related to identifying needs and accessing means of implementation for climate action in agriculture and food security, including sharing of best practices" (June 2026).
- Workshop submissions are to be received by 1 March 2025 and 1 March 2026 respectively.
- Starting at COP29, Parties must use this roadmap as an opportunity to better integrate resilient, healthy and equitable food systems into national climate plans and ensure more climate finance flows towards transformative food systems based on agroecology principles.

Some reactions from CIDSE delegates:

"Equity and justice should always be at the core of all climate negotiations! More than ever before, we have all the necessary information to act decisively and rapidly to stay below the 1.5°C threshold. For many years, ambition for climate finance stayed on the back burner, but it is high time real commitment and action is demonstrated by all in Baku, especially from rich countries."

Lydia Machaka, CIDSE

"Most countries didn't even try to set the principal cornerstones of the new financial goal, like what kind of finance it will consist of, whether support for addressing losses and damages will be included or a guaranteed share for the most vulnerable states – let alone the actual volume of financial support in the coming years. It's still a long way to COP29 for the collective goal and it requires the support of visionary politicians to prevent a hollow late-night deal in the overtime of COP29, which doesn't serve the climate nor the people at the frontline of climate impacts."

Martin Krenn, KOO

"The SB 60 in Bonn has not shown a way forward of how to concretise the important "transitioning away from fossil fuels" decided in Dubai. This is a key success factor for COP29 and countries have to work hard to make this happen."

David Knecht, Fastenaktion

"The urgency to act on climate change impacts on agri-food systems has never been clearer, yet for more than a year Parties have been at odds on how to move this agenda forward. While belated, their agreement on a way forward in Bonn is welcome. This momentum must be maintained and translated into actions that support locally led adaptation, action that is based on responding to the needs and priorities of small-scale food producers, indigenous peoples and communities who are being most impacted by the climate crisis".

Michael O'Brien, Trócaire

"The main focus at COP29 will be on climate finance. We have to make sure that the commitment to financing climate action translates into ambitious NDCs."

Bettina Duerr, Fastenaktion

Conclusion

The SB 60 starkly revealed the critical gaps and pressing needs in global climate action, particularly in securing a new just and equitable climate finance goal. It'll be an uphill battle, but failure is not an option! The escalating climate crisis and its growing costs necessitate bold, transformative action to meet the 1.5°C Paris Agreement goal. As we approach COP29 in Azerbaijan, the urgency to shift from procedural debates to concrete, actionable commitments has never been greater. The establishment of the New Collective Quantified Goal on Climate Finance (NCQG) must become a top priority, with developed countries stepping up to provide substantial, transparent, and non-debt creating financial support directed where it is most needed.

Moreover, the global community must rally to enhance national climate plans (NDCs) and ensure the effective implementation of the Global Stocktake (GST) outcomes, emphasising inclusivity, equity and justice. The integration of resilient, sustainable food systems into national climate plans is also crucial for achieving long-term emissions reduction and food security. The path forward demands unprecedented political will, international solidarity, and significant public finance provision and investment. With true determination and collective effort (instead of by-standing and backtracking), we can secure a sustainable, resilient future for all, safeguarding our common home for generations to come.