Summary of SB60

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State of Play

The negotiations in Bonn saw procedural rather than substantive progress. The NCQG discussions remained divided, with notable proposals from AOSIS and LDCs not matched by developed countries. The implementation of COP28 outcomes is hindered by disagreements, particularly around finance and the scope of the UAE Dialogue. The COP29 Presidency and Troika’s roles were under scrutiny, with calls for more active engagement and leadership. Clear champions to lead on NDCs and GST implementation are lacking. North-South dynamics were marked by developing countries’ calls for financial commitments and developed countries’ resistance to substantial procedural changes.

Was SB60 a failure?

No, whilst urgent progress was not achieved across the board, the leadership of AOSIS and LDCs was a significant success as were the threads of the ‘long’ game which was revealed by developed countries.

1. We now know without a doubt the strategy to move from the annexes of the Convention, and weaken the commitments to the Paris Agreement
2. The contributor base expansion is targeted at all who can pay in the G20
3. We are aware of their quantum: a floor of $100 billion as expressed by the US
4. And lastly that in remaking the global financial architecture, the role of private finance will be pervasive - a too high quantum from developing countries may lead to political trade-offs that will enable unregulated, untraceable private finance to

North-South Dynamics

Throughout the Bonn negotiations, a clear North-South dynamic was present. Developing countries, particularly from AOSIS, LDCs, and AGN, pushed for substantial financial commitments and targeted support for adaptation and mitigation. Developed countries, however, were hesitant to engage in detailed financial
commitments or ambitious procedural changes. They instead pushed back at the Convention, which offer the bedrock of the principles and annexes. This dynamic underscores the ongoing tension and need for bridge-building to achieve meaningful progress in global climate action. The COP29 Presidency’s initiatives, particularly those focusing on finance and adaptation, aim to address these disparities.

**Next Steps**

The NCQG remains a contentious issue. There was little progress on substantial areas like markets and mitigation. The MWP and GST processes also face significant challenges. Despite procedural agreements, divisions on substantive issues persist, particularly on finance and mitigation strategies. Agriculture which historically has issues with progressing saw a breakthrough with a roadmap agreement, highlighting the need for integrating food systems into climate action. The Just Transition Work Programme and Article 6 negotiations made procedural progress but require high-level political involvement to resolve core issues. The focus on North-South dynamics is evident, with developing countries pushing for more substantial financial support and developed countries needing to step up their commitments.

Preparations for COP29 continue, with planned events and a focus on key issues such as NCQG and the implementation of GST outcomes. Financial support and robust NDCs are critical areas needing attention. The upcoming Ministerial on Climate Action in China is a key opportunity for advancing these discussions. The COP29 Presidency’s initiatives, particularly those focusing on finance and adaptation, are crucial for bridging North-South divides. Developed countries’ leadership and concrete financial commitments will be essential in the lead-up to COP29.

**Glasgow Dialogue**

Since Dubai, developed countries said that they have made significant progress in operationalizing the Loss and Damage Fund (LDF) and the Santiago Network (SN), with the United States, EU, and Canada highlighting key milestones such as establishing the fund’s board and securing initial pledges. These countries also emphasised initiatives like the “Early Warning 4 All” and UN OCHA’s SURF climate account. Developing countries, on the other hand, recognized these procedural advancements but stressed the need for immediate and practical financial support, particularly for the most vulnerable. They noted that while international efforts are underway, national-level progress remains limited, and the focus should be on ensuring quick and effective access to the new funding arrangements.

To enhance the implementation of the new funding arrangements, recommendations from developed countries include improving coordination, leveraging existing mechanisms, and ensuring a comprehensive approach to both economic and non-economic loss and damage. They stressed the importance of inclusivity, human rights-based approaches, and maintaining momentum through high-level dialogues. Developing countries urged for more financial pledges, simplified access to funds, and ensuring that the financing is in the form of grants rather than loans. They highlighted the need for the High-Level Dialogue to be a platform for continuous discussion on synergies, coherence, and addressing the practical needs of vulnerable communities. Importantly many linked back to polluter pays and the need for Loss and Damage, as the third pillar of climate action, be represented in the NCQG.

**WIM Review**

The Terms of Reference outline the framework for reviewing the WIM’s long-term vision and performance, including the Santiago Network for Loss and Damage (SNLD). The review will address the WIM’s structure,
output utility, responses, and collaboration with funding arrangements. Stakeholders are to submit their views by 30 September 2024, with the Secretariat preparing summary and background papers for COP29. Key discussion points will include WIM governance, accessibility criteria, and the introduction of a third pillar on loss and damage in the NCQG. Parties are encouraged to engage with their contact points early to ensure comprehensive input, particularly concerning the SNLD’s operationalisation.

Next Steps:

- Stakeholders to submit views by 30 September 2024.
- Secretariat to prepare and present summary and background papers at COP29.
- Parties to engage with contact points for early and comprehensive input.

The NCQG

AOSIS Submission

- In the second meeting of the ad hoc program of the NCQG on climate finance, a stark divide was evident between developed and developing countries regarding the principles and obligations for climate finance. Developing countries voiced concerns about the imbalance in the text, highlighting that it failed to adequately reflect their repeated calls for recognizing historical responsibility, equity, and the principle of common but differentiated responsibilities (CBDR). They criticised the voluntary nature of developed countries' contributions and called for a more ambitious and equitable financial commitment. Some of the developing country groups have estimated the need at 1.1 - 1.3 trillion per year (not including reparations for the failed delivery of 100 billion). Key points of contention included the reliance on grants and concessional finance over market rates, the need for improved access and harmonisation of requirements, and the importance of transparency mechanisms to track and report progress accurately.

- The Least Developed Countries (LDCs) and Small Island Developing States (SIDS) presented an urgent plea for targeted and substantial financial support, emphasising their unique vulnerabilities and minimal contributions to global emissions. They pointed out the inadequacy of the previous USD 100 billion per year goal, which failed to address their specific needs. The Maldives, on behalf of AOSIS, stressed the necessity of scaled-up resources, efficient access, and prioritising grants over loans. They demanded that the NCQG include loss and damage response alongside mitigation and adaptation and called for systemic changes to ensure equity and access for the most vulnerable countries. The high debt burdens and disproportionate impact of climate change on SIDS and LDCs underscored their critical need for dedicated and substantial climate finance.

- In contrast, developed countries acknowledged the need for a balanced approach but emphasised broader investment plans, moving away from the mandates of the Paris Agreement, a multilayered approach and transparency. They advocated for the inclusion of vulnerable groups and the importance of tracking progress through established frameworks. They stressed the necessity of considering broader financial flows and the integration of climate finance into existing systems, they expressed frustration over the lack of concrete proposals from developing countries and called for more constructive engagement on the specifics of the NCQG. However it was only developing countries who provided concrete proposals. When asked for the quantum repeatedly by developing countries, the US finally said we have been telling you the quantum, which starts from a floor of 100 billion.
- Next step is a summary of the meeting and a note on the submissions
- Third meeting will be in October in Baku and will prepare guiding questions for the third session
- Will be an input paper with submissions

**LDC & AOSIS Statement**

- We recall the international recognition and commitment to address the special needs and circumstances of least developed countries (LDCs) and the special case and circumstances of small island developing States (SIDS). We further recall the international endorsement of the Doha Programme of Action for Least Developed Countries for the Decade 2022-2031, and the Antigua and Barbuda Agenda for Small Island Developing States of 2024, We also recall that LDCs and SIDS represent 76 of the 174 non-Annex II Parties to the United Nations Framework Convention on Climate Change (UNFCCC) (i.e. 43% of those Parties), and 155 non-Annex I Parties to the UNFCCC (i.e. 49% of those Parties),

- We acknowledge that LDCs and SIDS account for less than 4% and 1% of global greenhouse emissions, respectively, yet they are home to some of the world’s most climate-vulnerable populations and ecosystems, We further note with deep concern that the USD 100 billion per year by 2020 goal lacked adequacy and precision in targeted finance to LDCs and SIDS notwithstanding the recognition of their special needs, case or circumstances as articulated in the international climate change regime and the applicable international law more broadly,

- We further recall that the Articles 9(4) and 9(9) of the 2015 Paris Agreement have not fully operationalised prioritisation of LDCs and SIDS in relation to the provision and mobilisation of climate finance, given our particular vulnerability to the adverse effects of climate change and the significant capacity constraints as well as the respective special needs, special case and circumstances of the two groups

- In recognition of the above, we hereby present jointly the following high priorities for COP 29 in relation to the NCQG adopt:
  1. Reaffirming of the commitments by all Parties to accelerate climate action within this decade, based on the best available science, equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances (CBDRRC-NC) including transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner;
  2. Further reaffirming of the commitments by all Parties to undertake rapid emissions reductions in accordance with the best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases well before 2050;
  3. NCQG must aim to support all developing country Parties in effectively implementing the Paris Agreement within the context of these commitments;
  4. NCQG must, at a minimum, include loss and damage response alongside mitigation and adaptation as respective sub-goals;
  5. Climate finance provided and mobilised must be ‘new and additional’ to any finance classified as official development assistance (ODA) and other official flows (OOF) and finance committed under other international regimes, as opposed to retagged or repurposed ODA, OOF, and finance committed under other international regimes, and recognising that all these types of finance and assistance need to be scaled up respectively in their various contexts;
LDCs AND SIDS AND SPECIFIC ASKS
6. Need for scaled-up financial resources and targeted provision to LDCs and SIDS to meet their needs, and based on the best available science;
7. Ensure efficient and effective access to financial resources, in particular for LDCs and SIDS;
8. Need for all channels (i.e. bilateral, regional and multilateral channels) to undertake specific measures to enhance access for LDCs and SIDS, which could include:
   - creating minimum allocation floors for our groups, in particular for adaptation, and loss and damage response,
   - standardising and prioritising direct access for our national and regional institutions, including our local non-governmental and community-based organisations, and
   - ensuring that concessionality level of climate finance provided and mobilised must take into account our levels of debt sustainability.

Enhanced Transparency Framework (ETF) & Biennial Transparency Reports (BTR)

SB60 highlighted the urgency for countries to prepare their first Biennial Transparency Reports (BTRs) under the Enhanced Transparency Framework (ETF). Notably, Andorra and Guyana have already submitted their reports. Key discussions focused on the development of reporting tools by the Secretariat, which, while progressing, still require additional features to be fully functional. There was a strong emphasis on the necessity of training and technical support, particularly for developing countries, to utilise these tools effectively. Financial, technical, and capacity-building support remains a critical issue, with discussions aimed at ensuring adequate resources are available to aid countries in meeting their transparency obligations. The need for updated and efficient reporting mechanisms underscores the importance of transparency in tracking progress towards climate goals. The ETF is very closely tied to the NCQG as the ETF will likely be the transparency modality for finance.

Agriculture

The Sharm el-Sheikh joint work on agriculture and food security (SSJWA) marked a significant breakthrough with the agreement on a roadmap for joint activities until COP31. This roadmap includes annual synthesis reports, an online portal, and two workshops focused on systemic and holistic approaches to climate action in agriculture and food security. These steps are crucial for integrating food systems into national climate plans, enhancing finance for sustainable agricultural practices, and ensuring that the needs of small-scale food producers in the Global South are addressed. This progress in agriculture is vital for building resilience and sustainability in food systems, aligning with broader climate goals.

Gender

Gender-related discussions at SB60 emphasized the critical role of gender-responsive climate action. The unnecessarily complicated negotiations underscored the importance of integrating gender considerations into all aspects of climate policy and action. This includes ensuring that women, particularly those in vulnerable communities, have access to the necessary resources and decision-making platforms to contribute effectively to climate solutions. The recognition of gender-specific impacts of climate change and the need for tailored adaptation and mitigation strategies highlight the intersectional nature of climate justice, aiming to empower women as key agents of change in the fight against climate change.
Local Communities and Indigenous Peoples Platform (LCIPP)

The Local Communities and Indigenous Peoples Platform (LCIPP) continued to be a focal point for integrating traditional knowledge and practices into climate action. Discussions at SB60 reinforced the importance of respecting and utilising indigenous knowledge systems in climate mitigation and adaptation strategies. The platform aims to enhance the participation of local communities and indigenous peoples in the UNFCCC process, ensuring their voices and expertise contribute to global climate efforts. This inclusive approach recognizes the unique vulnerabilities and strengths of these communities, promoting culturally relevant and sustainable climate solutions.

Adaptation

Adaptation remained a critical theme at SB60, with significant focus on the Global Goal on Adaptation (GGA) and National Adaptation Plans (NAPs). The negotiations highlighted the urgent need for robust indicators and means of implementation to track progress on adaptation efforts. Despite procedural agreements, developed countries’ reluctance to engage fully on means of implementation indicators was evident. The Adaptation Fund’s underfunding remains a pressing issue, with ongoing discussions about its governance and accessibility. The Nairobi Work Programme and Adaptation Committee saw procedural progress, but substantial challenges persist in ensuring adequate support and resources for effective adaptation measures, particularly in vulnerable countries.

Mitigation Work Programme (MWP)

The Mitigation Work Programme (MWP) at SB60 faced significant challenges, with discussions stalling due to disagreements on whether the programme should result in substantive or procedural outcomes. Key issues included the role of mitigation in the Global Stocktake and how to achieve tangible emission reductions. Developed countries and some developing countries pushed for substantial mitigation outcomes, while others, notably the LMDC and Arab Group, resisted. This gridlock highlights the ongoing tensions in balancing immediate emission reductions with broader developmental concerns, underscoring the need for innovative solutions and stronger political will to advance global mitigation efforts.

Just Transition Work Programme (JTWP)

The Just Transition Work Programme (JTWP) concluded with a huddled agreement led by G77+China, which was subsequently adopted in plenary. The agreed modalities enhance the programme’s depth, focusing on inclusive dialogue formats and timely summaries. However, contentious issues such as unilateral trade measures and means of implementation remain unresolved. The programme aims to ensure a fair and equitable transition for workers and communities affected by the shift to a low-carbon economy. As negotiations continue towards COP29, there is a critical need to develop the JTWP’s modalities further to foster deeper content discussions and set the stage for a transformational outcome at COP30.

Article 6

Negotiations on Article 6, which governs market and non-market mechanisms for carbon trading, saw some procedural progress at SB60. Countries agreed to forward negotiation texts on Article 6.2 and 6.4 for consideration at COP29, but core issues remain unresolved. These include the international registry’s role, authorisation processes, and the review mechanisms for cooperative approaches. While there was a positive
decision to exclude emission avoidance from creating carbon credits temporarily, the overall negotiations underscored significant disagreements. High-level political involvement is anticipated to be necessary to achieve consensus, highlighting the complexity and importance of Article 6 in the broader climate framework.