

DAY 3 – Nov. 13
UNFCCC COP 29 – Baku, Azerbaijan

Negotiations are well under way in Baku and unfortunately for observers, that means that open meetings are decreasing as Parties opt for closed informal sessions to address their concerns. The agenda item on the New Collective Quantified Goal on Climate Finance (NCQG) open contact group did not meet until almost 6PM and even then, met only for a few minutes. Parties then asked the Co-Facilitators to further streamline the draft text provided to Parties that morning to remove duplication.

What is the NCQG?

Many people here at COP 29 are focused on the topic of the NCQG, widely considered to be the make-or-break topic for this year's COP. NCQG is a new global goal for climate finance mandated to be set above the floor of USD\$ 100 billion prior to 2025. This is critical as climate finance must be set at the trillions in order to respond to the needs of developing countries. The result of these NCQG discussions will likely have a direct impact on the updated Nationally Determined Contributions of Parties to be submitted by February 2025.

What is climate finance?

Perhaps the biggest issue being grappled upon in various finance negotiations is the very definition of climate finance. In fact, whether or not the USD \$100 billion goal was met is under debate under the long-term finance agenda. According to an OECD report published in May 2024, developed countries were able to provide and mobilize a total of USD \$115.9 billion in climate finance, exceeding the set finance goal for the first time. However, some Parties are refusing to acknowledge this, pointing to the fact that 69% of the amount mobilized was in the form of loans which burdens recipient countries.

On other issues, new draft texts have been requested for Art. 6.2, 6.4, and 6.8 following the early adoption of the Art. 6.4 guidelines on methodologies and removals prepared by the Supervisory Body on Art. 6.4. Views have diverged on whether this swift approval should be considered a win or a way to bypass the CMA. The Coalition for Rainforest Nations called it a horrible precedent while the constituency of Environmental NGOs considered it a breach of governance. A new draft text will also be forthcoming on the global goal on adaptation and the technology mechanism.