

A PLANET ON FIRE:

WAR, OIL, AND CLIMATE FINANCE AT COP29



No. 24 Climate Justice in Latin America Series



HEINRICH BÖLL STIFTUNG
SAN SALVADOR
El Salvador | Costa Rica | Guatemala |
Honduras | Nicaragua

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COP29 in Azerbaijan

COP29 will be held in Baku, Azerbaijan, from the 11th to the 22nd of November in 2024. The summit will bring together representatives of the different parties to discuss and negotiate relevant topics concerning climate change action, greenhouse gas emission mitigation, and transparency reports, among others. This year, special emphasis will be given to climate finance, the most anticipated topic at COP29.

Representatives of civil society will also participate in the summit, following up on topics concerning priority climate actions by demanding the parties provide a prompt, effective, transparent, and fair response to the climate crisis.

COP in an oil-producing country?

This is the third consecutive year that a conference of this kind will take place in an oil-producing country. Quite the contradiction!

The country of Azerbaijan is located between Russia, Georgia, Armenia, and Iran, and has a population of over 10 million people. Its main economic activity is oil and gas exploitation in the Absheron Peninsula and other parts of the country.¹

The country is well-known for its extensive oil activity, which is precisely how a gas extraction executive, Mr. Mukhtar Babayev, was designated president of COP29. Mr. Babayev spent several decades working at SOCAR, the national oil company, and was later appointed Minister of Environment in 2018.²

In addition, the country is currently strengthening its political and economic relations with the European Union by exporting gas to the region, which was previously supplied by Russia. In 2022, Ursula von der Leyen, President of the European Commission, signed a strategic alliance alongside President Ilham Aliyev of Azerbaijan to ensure energy supply across Europe since Russia was considered an unreliable partner that was gradually closing its supply channels to several countries within the European Union. The agreement involves doubling the volume of Azerbaijani gas imports to 20 billion cubic meters per year by 2027.^{3,4,5,6,7,8}

The picture portrayed by these types of decisions is that the negotiation spaces within the COPs are increasingly controlled by large companies and oil producers that exercise economic power over the decision-making countries; as a result, the outcomes of these spaces are often unambitious. This marks a clear disadvantage for the countries most affected by climate change as well as civil society organizations that already operate in a limited space of action and advocacy considering the power exercised by these companies in oil-producing countries. And it begs the question whether the key purpose of these negotiation spaces is really being fulfilled: that of reducing greenhouse gas emissions.

Gender at COP29

Since the start of the COP29 organization process, alarming decisions have been made regarding equal participation. Initially, an organizing committee of 28 men and 0 women was created.⁹ The Women and Gender Constituency spoke out against this decision in February of this year, calling for a focus on gender equity in the conference's representation. Additionally, they emphasized the need to narrow the gender gap that

1 Unión europea y cooperación, 'OFICINA DE INFORMACIÓN DIPLOMÁTICA FICHA PAÍS Azerbaiyán' (Oficina de Información Diplomática del Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, 1 January 2024) <https://www.exteriores.gob.es/Documents/FichasPaís/AZERBAIYAN_FICHA%20PAÍS.pdf>.

2 'Climate Change: Former Oil Executive Mukhtar Babayev to Lead COP29 Talks in Azerbaijan' (5 January 2024) <<https://www.bbc.com/news/science-environment-67895068>> accessed 24 September 2024.

3 Farid Gajramánov, 'La UE y Azerbaiyán firman un acuerdo para duplicar el suministro de gas azeri' (euroefe.euractiv.es, 18 July 2022) <<https://euroefe.euractiv.es/section/energia/news/la-ue-y-azerbaiyan-firman-un-acuerdo-para-duplicar-el-suministro-de-gas-azeri/>> accessed 27 September 2024.

4 Por Newsroom Infobae, 'El presidente azerbaiyano dispuesto a incrementar los suministros de gas a Europa' (infobae, 2 October 2021) <<https://www.infobae.com/america/agencias/2021/10/02/el-presidente-azerbaiyano-dispuesto-a-incrementar-los-suministros-de-gas-a-europa/>> accessed 27 September 2024.

5 María R Sahuquillo, 'La UE cierra un acuerdo con Azerbaiyán para duplicar el suministro de gas hasta 2027' (El País, 18 July 2022) <<https://elpais.com/economia/2022-07-18/la-ue-cierra-un-acuerdo-con-azerbaiyan-para-duplicar-el-suministro-de-gas-hasta-2027.html>> accessed 27 September 2024.

6 Colin Stevens, 'Azerbaiyán: un actor clave en la seguridad energética de Europa' (EU Reporter, 29 April 2024) <<https://es.eureporter.co/world/azerbaijan-world/2024/04/29/azerbaijan-a-key-player-in-europes-energy-security/>> accessed 27 September 2024.

7 'La UE firma un acuerdo con Azerbaiyán para duplicar las importaciones de gas en 2027' (euronews, 18 July 2022) <<https://es.euronews.com/2022/07/18/ue-azerbaiyan-gas>> accessed 27 September 2024.

8 'Europa acuerda con Azerbaiyán aumentar los envíos de gas natural' (euronews, 25 April 2023) <<https://es.euronews.com/2023/04/25/europa-firma-un-acuerdo-con-azerbaiyan-para-impulsar-el-envio-de-gas-natural>> accessed 27 September 2024.

9 Martina Igini, 'COP29 Host Azerbaijan Appoints All-Men Organizational Committee' (Earth.Org, 16 January 2024) <<https://earth.org/cop29-host-azerbaijan-appoints-all-men-organizational-committee/>> accessed 24 September 2024.

has characterized past conferences; even at COP28 last year, only 34 percent of party delegates were women.¹⁰ The presidency of the COP relaunched the official list comprising the organizing committee, this time with 43% female representation;¹¹ however, equitable participation remains a concern leading up to the conference.

Given this context concerning COP29, this guide aims to provide a critical look at the current situation regarding the most relevant negotiations on the New Collective Quantified Goal (NCQG), the Loss and Damage Fund (LDF), the Global Stocktake (GST) and Nationally Determined Contributions (NDCs). This analysis can serve as a guide for those who will be participating at COP29.

New Collective Quantified Goal (NCQG)

In decision 1/CP.21, paragraph 53, the parties agreed that a new NCQG should be set for the year 2025 with a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries.¹²

This finance target aims to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty, by making finance flows consistent with the mitigation of greenhouse gas emissions and climate-resilient development.

At COP28, the decision was made to hold at least three Technical Expert Dialogues (TED) in 2024 to allow for in-depth technical discussions on the elements of the NCQG. These talks were held within the ad hoc work programs to allow the parties to participate in developing a contextual framework to report on the progress made in identifying the NCQG.¹³

TED11 was held during the third meeting of the ad hoc work program, which took place in Baku, Azerbaijan, from September 9th to 12th of this year. In preparation for this space, the Parties, observer organizations, financial institutions, and others were

called to submit their key messages and perspectives via a web portal. Based on the information collected, some important points of discussion included:¹⁴

- The urgent need for high-quality climate financing in the form of non-reimbursable funds. The importance of equity, historical responsibility, and the polluter pays principle, as well as the continued obligation of developed countries to lead the provision and mobilization of climate finance.
- The necessity of aligning finance with the priorities shown by countries in their NDC processes and National Adaptation Plans.
- The inclusion of thematic sub-goals when setting the NCQG to address the current imbalance of climate finance flowing to mitigation, adaptation, and loss and damage response.
- Clarifying what should and should not count as climate finance at the outset, with proposals around new and additional finance.
- The importance and need to utilize existing mechanisms, particularly the Enhanced Transparency Framework, to ensure clarity and accountability within the NCQG.

Additionally, during TED11, a new version of the NCQG framework document was expected to be developed by the Parties and co-chairs since the latest version is dated August 29th and was developed with information from the work done during the ad hoc work program sessions. However, on the 3rd, the co-chairs announced that they did not have enough information from the Parties, so a new version of the framework document would not be available yet.¹⁵

Another relevant topic in the TED11 discussions was the need to define climate finance, one of the main points put forward by developing countries. This is of great importance for the most vulnerable countries because a definition is needed to support concepts such as fund

10 Wgc Fp, 'Gender Justice Must Be Centered in COP29 Outcomes | Women & Gender Constituency' (12 February 2024) <<https://womengenderclimate.org/gender-justice-must-be-centered-in-cop29-outcomes/>> accessed 24 September 2024.

11 'COP29 Azerbaijan - United Nations Climate Change Conference' <<https://cop29.az/en/news/cop29-organising-committee-convenes-its-third-meeting>> accessed 24 September 2024.

12 UNFCCC, 'Compilation and Synthesis of Inputs for the Eleventh Technical Expert Dialogue and the Third Meeting under the Ad Hoc Work Programme on the New Collective Quantified Goal on Climate Finance' (2024) <https://unfccc.int/sites/default/files/resource/TED11MAHWP3_Compilation_Synthesis.pdf>.

13 *ibid.*

14 *ibid.*

15 Loss and Damage Collaboration (L&DC) [@LossandDamage], '1/39. The 3rd Day of the Eleventh Technical Expert Dialogue (#TED11) and Third Meeting of the Ad Hoc Working Program (#MAHWP3) of the New Collective Quantified Goal on #ClimateFinance (#NCQG) Concluded Yesterday in Baku, Azerbaijan. Here Are Our #LossAndDamage Takeaways. <https://t.co/RFWI8y2t9X>' <<https://x.com/LossandDamage/status/1834101621514735832>> accessed 12 September 2024.

disaggregation, transparency in fund mobilization, and the presence of non-reimbursable funds.

Conversely, the definition of climate finance should not include other forms of funding that promote debt, such as export credits, loans, etc. Nor should it include the official development assistance (ODA) funds currently being provided to vulnerable countries. The reason for this is that they are two completely separate types of funding and should not be combined as that would represent a setback in the support of those nations.¹⁶

This can be seen as one of the main struggles ahead for COP29 as there is an urgent need for clear information on transparency and definitions that will mark how funds should be given and the terms that will allow favorable access to finance to the most vulnerable countries.

“Saying that climate is fully aside from ODA (Official Development Assistance) is unworkable”

– United States negotiators at TED11¹⁷

This is why it is considered of utmost importance that loss and damage be established as a third pillar of funding, at the same level as mitigation and adaptation. It must be ensured that funds be distributed among these three action areas, allocating grants to address and cope with the loss and damage that communities are suffering.

“We just can't take on more debt for this issue which we did not cause”

– Michai Robertson from the Small Island Developing States during TED11²⁰

In short, the NCQG is at a crucial point in determining whether climate finance will provide sufficient funds to act on mitigation, adaptation, and loss and damage. To that end, it is of utmost importance to make clear to the countries in the Global South that affected communities cannot continue taking on debt; they require a new form of non-reimbursable funding, differentiated from development funds and with clear guidelines to address the needs of the most vulnerable populations.

Another priority issue is the position the NCQG will take on funding available to address loss and damage since the framework document currently states that these funds will be managed through the Loss and Damage Fund.¹⁸

However, the details on the percentage of funding that will be provided for these actions is still uncertain. This issue was reaffirmed during TED11, where emphasis was placed on the need for disaggregated data to demand differentiated funding for mitigation, adaptation, and loss and damage according to each of the urgent actions to be addressed.¹⁹

¹⁶ *ibid.*

¹⁷ *ibid.*

¹⁸ Loss and Damage Collaboration (L&DC) [LossandDamage] (n 15).

¹⁹ *ibid.*

²⁰ UNFCCC, 'Decision 5/CMA.5 Operationalization of the New Funding Arrangements, Including a Fund, for Responding to Loss and Damage Referred to in Paragraphs 2–3 of Decisions 2/CP.27 and 2/CMA.4' <https://unfccc.int/sites/default/files/resource/cma2023_16a01_adv_.pdf>; UNFCCC, 'Decisión 2/CMA.4 Arreglos de Financiación Para Dar Respuesta a Las Pérdidas y Los Daños Relacionados Con Los Efectos Adversos Del Cambio Climático, Con Énfasis En Afrontar Las Pérdidas y Los Daños' <https://unfccc.int/sites/default/files/resource/cma2022_10_a01S.pdf>.

Fund for Responding to Loss and Damage

In November of 2022, in Sharm el-Sheikh, Egypt, COP27 kicked off with the agreement to provide funding for loss and damage to vulnerable countries most affected by climate change. The key decision establishing the Fund was **Decision 2/CMA.4**, followed by **Decision 5/CMA.5** at COP28, which adopted the structure and funding arrangements for the Loss and Damage Fund.²¹

The funding arrangements and Loss and Damage Fund were created to assist developing countries in responding to loss and damage, with an emphasis on addressing loss and damage.²²

The funding arrangements specifically seek to provide and assist in mobilizing new and additional resources to developing countries, and “for these new arrangements to complement and include sources, funds, processes, and initiatives under and outside the Convention and the Paris Agreement.”²³

The use of the words ‘mobilize’ and ‘provide’ are important in that they are the same words used in Article 9, paragraphs 1 and 3 of the Paris Agreement. Providing financial resources refers to the direct allocation of funds from developed countries to support climate action by developing countries.

On the other hand, mobilizing resources is related to a broader effort to facilitate the flow of public or private capital for climate action. For more information on these matters, see The World Bank’s Damaged Legacy: **Where Millions of People’s Hopes Lie**.²⁴

The Fund and funding arrangements are complementary; however, it is important to note that the Fund’s focus is on addressing “priority gaps within the current institutional landscape,” including global, regional, and national institutions that fund activities related to responding to loss and damage.²⁵

In addition to this limitation in the Fund’s scope, a mandatory source of funding was not created, but rather it will operate on the basis of voluntary donations or financial services.²⁶

The Fund’s reliance on voluntary contributions from developed countries is a matter of concern and puts its long-term sustainability at risk. It is unclear whether this form of funding will be real and effective in sustaining the needs of loss and damage response.

At present, no binding mechanism has been established to ensure regular contributions. This scenario raises doubts not only about whether the needs of a fund dedicated to loss and damage will be met, which requires additional and sustained resources, but also about how much funding affected countries will receive and when and how it will be received.²⁷

As the Fund’s trustee, the World Bank will not participate in fundraising, decision-making on resource allocation, or identifying, preparing, evaluating, implementing, or monitoring funded projects.²⁸

This should put pressure on the developed countries, as the main parties responsible for most historical emissions, to obtain funding, yet that is not the case. Developed countries do not recognize the obligation to provide funding for loss and damage.²⁹

21 UNFCCC, ‘Decision 5/CMA.5 Operationalization of the New Funding Arrangements, Including a Fund, for Responding to Loss and Damage Referred to in Paragraphs 2–3 of Decisions 2/CP.27 and 2/CMA.4’ <https://unfccc.int/sites/default/files/resource/cma2023_16a01_adv_.pdf>; UNFCCC, ‘Decisión 2/CMA.4 Arreglos de Financiación Para Dar Respuesta a Las Pérdidas y Los Daños Relacionados Con Los Efectos Adversos Del Cambio Climático, Con Énfasis En Afrontar Las Pérdidas y Los Daños’ <https://unfccc.int/sites/default/files/resource/cma2022_10_a01S.pdf>.

22 UNFCCC, ‘Decisión 2/CMA.4 Arreglos de Financiación Para Dar Respuesta a Las Pérdidas y Los Daños Relacionados Con Los Efectos Adversos Del Cambio Climático, Con Énfasis En Afrontar Las Pérdidas y Los Daños’ (n 1) Art. 2&3.

23 *ibid*.

24 María Paula Calvo, Angélica Cordero and Marie Fisher, ‘El legado dañado del Banco Mundial: Donde se aloja la esperanza de millones de personas’ <<https://larutadelclima.org/wp-content/uploads/2024/06/LRDC-Aporte-tecnico-sobre-el-Banco-Mundial-1.pdf>>.

25 UNFCCC, ‘Decision 5/CMA.5 Operationalization of the New Funding Arrangements, Including a Fund, for Responding to Loss and Damage Referred to in Paragraphs 2–3 of Decisions 2/CP.27 and 2/CMA.4’ (n 1) Anexo 1 Párrafo 7.

26 *ibid* Anexo II Párrafo 56.

27 Oxfam International. (2022). Climate finance short-changed: The real value of the \$100 billion commitment in 2019-2020. Oxfam International. <https://www.oxfam.org/en/research/climate-finance-short-changed>

28 <https://www.bancomundial.org/es/news/press-release/2024/06/10/board-approves-world-bank-s-role-as-host-and-trustee-for-the-fund-for-responding-to-loss-and-damage>

29 Natalia Alayza, Gaia Larsen and David Waskow, ‘What Could the New Climate Finance Goal Look Like? 7 Elements Under Negotiation’ <<https://www.wri.org/insights/ncqg-key-elements>> accessed 2 October 2024.

Additionally, they have poor credibility, having failed to meet previous climate finance commitments, such as the target to mobilize USD 100 billion per year by 2020.³⁰

At climate negotiations, there is a strategy that seeks to polemicize the responsibility of developed countries to provide financial resources by raising issues such as expanding the contributor base of climate finance.³¹

This expansion promotes that Global South countries should take responsibility for funding climate actions. This position is complemented by limitations on accessing funding, by segmenting the type of countries that may become “particularly vulnerable” and receive funding, such as the case of the Loss and Damage Fund.³²

This strategy is in full force within the climate regime and seems to be nothing more than the fulfillment of the prophecies of the “Danish Text” from COP15,³³ particularly as they relate to claiming the principle of common but differentiated responsibilities is inefficient and the transfer of financial responsibilities to Global South countries.³⁴ Here is where we should emphasize the importance of attributing these monetary contributions to the Fund to the biggest polluters, leaving no room for the acquisition of new debt and demanding a response from the primary generators of greenhouse gas emissions.

Additionally, in operating the Fund, it is necessary to guarantee a mechanism of direct access to subsidy-based financial resources for the populations most vulnerable to climate change. These financial resources should be in addition to humanitarian aid. In this way, the aim is for the work processes of the Loss and Damage Fund and Santiago Network to promote participatory approaches including the representation of indigenous peoples, grassroots communities, women, and marginalized groups, always prioritizing the protection of human rights.

On this topic, the World Bank needs to ensure the adequate operation of these direct access mechanisms for the most vulnerable countries and populations. It must consider the different capacities and limitations in terms of access for the affected communities, including a comprehensive response to the economic and non-economic aspects of loss and damage suffered by communities.

Funding Arrangements for Loss and Damage

The Fund's objective as set out in Decision 5/CMA.5 does not include “a focus on addressing loss and damage” as was stated at its creation through Decision 2/CMA.4.

However, this special focus is mentioned in the objective of the funding arrangements, thus generating an apparent differentiation in the structure of each instrument.³⁵

The Fund's governing instrument specifies that the Fund addresses funding gaps for loss and damage, from which it can be understood that the funding arrangements should address loss and damage funding in general.

The funding arrangements focus on “providing and assisting in mobilizing new and additional resources while complementing sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement.”³⁶

In referring to the funding arrangements, we must make mention of the high-level dialogue that will articulate them, convened by the Fund and the Secretary-General of the United Nations.³⁷

This dialogue is comprised of the Fund; the World Bank and regional development banks; the International Monetary Fund; United Nations agencies, intergovernmental organizations, and others; relevant multilateral climate

30 'STATEMENT: Developed Countries Meet Long Overdue \$100 Billion Commitment' <<https://www.wri.org/news/statement-developed-countries-meet-long-overdue-100-billion-commitment>> accessed 2 October 2024; 'Broken Promises - Developed Countries Fail to Keep Their 100 Billion Dollar Climate Pledge | Heinrich Böll Stiftung | Washington, DC Office - USA, Canada, Global Dialogue' <<https://us.boell.org/en/2021/10/25/broken-promises-developed-countries-fail-keep-their-100-billion-dollar-climate-pledge>> accessed 2 October 2024.

31 'Developed Countries Push to Expand Contributor Base for New Climate Finance Goal' <<https://www.deccanherald.com/environment/developed-countries-push-to-expand-contributor-base-for-new-climate-finance-goal-3157026>> accessed 2 October 2024.

32 UNFCCC, 'Decision 5/CMA.5 Operationalization of the New Funding Arrangements, Including a Fund, for Responding to Loss and Damage Referred to in Paragraphs 2–3 of Decisions 2/CP.27 and 2/CMA.4' (n 1) Anexo I Párrafo 60.

33 John Vidal, 'Copenhagen Climate Summit in Disarray after "Danish Text" Leak' The Guardian (8 December 2009) <<https://www.theguardian.com/environment/2009/dec/08/copenhagen-climate-summit-disarray-danish-text>> accessed 2 October 2024; “Danish Text” DRAFT 271109 Decision 1/CP.15' <<https://riverresourcehub.org/wp-content/uploads/files/attached-files/23859562-copenhagen-danish-text.pdf>>; 'Temperatures Rise over Danish Text at Climate Summit | PBS News' (PBS News) <<https://www.pbs.org/newshour/science/temperatures-rise-over-danish-text-at-climate-summit>> accessed 2 October 2024; 'A Brief Analysis of the Copenhagen Climate Change Conference' <<https://sk.sagepub.com/reference/globalwarming/n343.xml>> accessed 2 October 2024.

34 Paula Castro, 'Common But Differentiated Responsibilities Beyond the Nation State: How Is Differential Treatment Addressed in Transnational Climate Governance Initiatives?' (2016) 5 Transnational Environmental Law 379.

35 UNFCCC, 'Decision 5/CMA.5 Operationalization of the New Funding Arrangements, Including a Fund, for Responding to Loss and Damage Referred to in Paragraphs 2–3 of Decisions 2/CP.27 and 2/CMA.4' (n 1) Anexo II Párrafo 1.

36 *ibid* Anexo II Párrafo 3.

37 *ibid* Anexo II Párrafo 13.

funds; the International Organization for Migration; the WIM Executive Committee and the Santiago Network; civil society, indigenous peoples, and the philanthropic sector; and individual experts on loss and damage.

The concept note to launch the high-level dialogue during the World Leaders Climate Action Summit has already been published, and it is proposed to be held in November in Baku.³⁸

The Fund can provide not only grants but also loans, which is concerning and threatening given the current debt crisis facing the most vulnerable countries.

Debt increases vulnerability, and the countries in the Global South already have an extremely limited fiscal space due to debt payments they must make to the North. For more information, see the following publication by La Ruta del Clima: **"A Post-Colonial Loss and Damage Fund: An Unequal Exchange of Responsibilities and Resources"**.

Fund Meeting Highlights

Three Board meetings have been held in 2024, with the following results:

1st Meeting - April - Abu Dhabi

During the Fund's first meeting, key decisions were made on selecting the Executive Director (FLD/B.1/9), host country (FLD/B.1/4), 2024 work plan (FLD/B.1/2), and the Fund's operationalization, including the funding arrangements (FLD/B.1/5) and observer participation (FLD/B.1/6). In particular, it was decided that the World Bank would host the Fund and serve as trustee, facilitating funding agreements.³⁹ For more information on the agreements, see here.⁴⁰

While the importance of observers in the discussions was emphasized, concerns remain about the lack of transparency, especially in FIF negotiations with the World Bank. This closed process has been criticized for the lack of stakeholder participation despite provisions to ensure its inclusion. In addition, possible setbacks were pointed out in the financial assistance to the most vulnerable countries due to bureaucratic procedures and lack of coordination among global financial institutions.

The lack of clarity on how funding mechanisms will be implemented for the most vulnerable countries remains an important issue. While the Fund is a step toward climate justice, many activists and developing countries insist that it must go beyond financial assistance and address the necessary compensation for irreversible loss, both economic and non-economic. This approach must recognize the historical responsibilities of industrialized countries.⁴¹

38 UNFCCC, 'Concept Note: Annual High-Level Dialogue on Complementarity and Coherence' FLD/B.3/9' <https://unfccc.int/sites/default/files/resource/FLD_B3_09_HLD_Concept%20Note_final.pdf> accessed 2 October 2024.

39 https://unfccc.int/sites/default/files/resource/Decisions_of_the_Board_at_the_first_meeting_FLD.B.1.11_24May2024.pdf

40 'First Meeting of the Board of the Fund for Responding to Loss and Damage | UNFCCC' <<https://unfccc.int/event/first-meeting-of-the-board-of-the-fund-for-responding-to-loss-and-damage>> accessed 2 October 2024.

41 https://unfccc.int/sites/default/files/resource/Decisions_of_the_Board_at_the_first_meeting_FLD.B.1.11_24May2024.pdf

2nd Meeting - July - Korea

In the second Board of Directors meeting held in Korea from July 9th to 12th, decision FLD/B.2/15 defined the implementation of the annual high-level dialogue, the purpose of which is to discuss ways to improve the operationalization of the new funding arrangements in line with relevant decisions of the COP and CMA.⁴²

The decision included an agreement for the Board of the Fund for Responding to Loss and Damage to prepare a report on the outcome of the dialogue to be submitted at the next United Nations Climate Change Conference, but no date was set despite proposals to do so.

At this meeting, the decision was made to change the name of the fund to the Fund for Responding to Loss and Damage (FRLD). The Philippines was selected as a host country. See the decisions from this meeting [here](#).⁴³

3rd Meeting - September - Baku, Azerbaijan

For the third meeting of the Board, information was published on the high-level dialogue. It will be launched through an event within the framework of the World Leaders Climate Action Summit in Baku, Azerbaijan, during the 29th session of the Conference of the Parties and the sixth session of the Conference of the Parties serving as the meeting of the Parties of the Paris Agreement (COP29 and CMA 6).

This event will take place on either the 12th or 13th of November 2024, with an approximate duration of 90 minutes. It will be co-organized by Azerbaijan, as president of COP29, and the Fund for Responding to Loss and Damage.⁴⁴ According to concept note FLD/B.3/9, the Fund's Executive Director is expected to represent the Fund if in office at the time of the event.

The event's format will be communicated at a later date by either the interim secretariat or the Presidency of COP29.⁴⁵ Participation will be limited by the proposals in decisions 1/CP.28 and 5/CMA.5. These indicate that no more than 30 high-level representatives of entities involved in the response to loss and damage will be part of the new funding arrangements. These participants will be invited by the dialogue's co-organizers and will be included in the list established in the decisions.

The outcome of the launch event will be a joint statement/communiqué containing a summary of the launch event and a call to the international community to increase support for those who are particularly vulnerable to the adverse effects of climate change. See the decisions from this meeting [here](#).⁴⁶

⁴² https://unfccc.int/sites/default/files/resource/FLD_Annual_High_Level_Dialogue_Background_Paper.pdf

⁴³ 'Second Meeting of the Board of the Fund for Responding to Loss and Damage. | UNFCCC' <<https://unfccc.int/event/second-meeting-of-the-board-of-the-fund-for-responding-to-loss-and-damage>> accessed 2 October 2024.

⁴⁴ UNFCCC, 'Concept Note: Annual High-Level Dialogue on Complementarity and Coherence FLD/B.3/9' (n 18).

⁴⁵ https://unfccc.int/sites/default/files/resource/FLD_B3_09_HLD_Concept%20Note_final.pdf

⁴⁶ 'Third Meeting of the Board of the Fund for Responding to Loss and Damage | UNFCCC' <<https://unfccc.int/event/third-meeting-of-the-board-of-the-fund-for-responding-to-loss-and-damage>> accessed 2 October 2024.



Ibrahima Cheikh Diong New Fund Director

At this meeting, the Board of Directors of the FRLD selected Mr. Ibrahima Cheikh Diong as its first Executive Director. Mr. Diong has ample experience. As director, he will provide strategic leadership and oversight of the Fund's Secretariat.

He will also assist the Board in delivering on the Fund's mandate to provide financial support to vulnerable countries that have been hit the hardest by climate change during a four-year term beginning 1 November 2024.

The new director has ample experience in the context of Multilateral Development Banks in Africa. For Latin America, the challenge will be to introduce Mr. Diong to the context and needs of our region to drive much deserved attention toward our communities.

Important Dates for Loss and Damage

The following are suggested as possible dates for subsequent events:

Spring Meetings of the World Bank Group and the International Monetary Fund 2025

Date: 25-27 April 2025

Location: Washington, D.C., USA

Fourth International Conference on Funding for Development

Date: 30 June – 3 July 2025

Location: Seville, Spain

Possible dates for meetings of the FRLD Board of Directors, 2025

B5 April in Barbados

B6 July in the Philippines

B7 October in the Philippines

Global Stocktake

The Global Stocktake (GST) is a fundamental process of the Paris Agreement designed to collectively evaluate progress toward meeting global climate goals. This process takes place every five years and is intended to examine the fulfillment of the established goals, specifically in the areas of mitigation, adaptation, and means of implementation (finance, technology transfer, and capacity building)

At COP29, it is important to consider the following focuses given the GST:

- 1. Evaluation of Nationally Determined Contributions (NDCs):** Analyzing the gap between national targets and the actions needed to limit global warming to 1.5°C.
- 2. Adoption of Adaptation Measures:** Reviewing progress made in terms of adaptation strategies and capacity building to address the effects of climate change.
- 3. Climate Finance:** Assessing financial flows, their effectiveness, and how they align with the transition to a low-carbon economy, as well as the implementation of funding mechanisms for developing countries. This includes creating systems to ensure a fair and transparent distribution of resources to those who need them most. A transition committee has been created to make recommendations on how these funding arrangements will work.
- 4. Justice and Just Transition:** Ensuring that climate actions are taken equitably, including climate and social justice aspects.
- 5. Strengthening of International Cooperation:** Encouraging collaboration between countries and non-state stakeholders to achieve global goals.

This global stocktaking process enables the identification of existing gaps and also guides upcoming climate decisions and policies to accelerate global action in the face of significant challenges, especially for the countries in the Global South in the context of COP29.

The GST aims to evaluate and steer global climate efforts. However, there is growing concern that the results may perpetuate existing inequalities.

Developed countries with greater resources and capacities are better equipped to meet their commitments, while Global South countries face obstacles such as inadequate funding, lack of technology transfer, and limited resources for adaptation and mitigation. Furthermore, there is a risk that GST-based decisions will focus more on emission reduction than on adaptation support and reparations for loss and damage, which are key issues for the most vulnerable nations.

This lack of focus could exacerbate the gaps between the North and South, placing disproportionate pressure on the countries least responsible for the climate crisis and increasing threats to their development and well-being.

Nationally Determined Contributions

Nationally Determined Contributions (or NDCs) are climate-related commitments made by the countries that signed the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC)⁴⁷ to reduce their greenhouse gas emissions and adapt to the impacts of climate change.

In their NDCs, countries communicate the measures they plan to take to reduce their greenhouse gas emissions to achieve the goals of the Paris Agreement. This communication also includes planned actions to build resilience and adapt to the impacts of rising temperatures.

Decision 1/CP.21 of the Paris Agreement⁴⁸ sets out that the parties must update their NDCs every five years, with a focus on the principle of progression and increased ambition to achieve the objectives of the Paris Agreement, which include limiting global warming to below 2°C, and preferably to 1.5°C.⁴⁹

47 Convención Marco de las Naciones Unidas sobre el Cambio Climático (CMNUCC). (2015). Acuerdo de París. https://unfccc.int/sites/default/files/spanish_paris_agreement.pdf

48 Convención Marco de las Naciones Unidas sobre el Cambio Climático (CMNUCC). (2015). Acuerdo de París. https://unfccc.int/sites/default/files/spanish_paris_agreement.pdf

49 Convención Marco de las Naciones Unidas sobre el Cambio Climático (CMNUCC). (2015). Decisión 1/CP.21: Adopción del Acuerdo de París. <https://unfccc.int/resource/docs/2015/cop21/spa/10a01s.pdf>

In addition, Decision 1/CMA.3 of COP26 in 2021 reinforced the need to make the NDCs more ambitious. This decision called on countries to review and strengthen their NDCs by COP27 in 2022 and beyond, aligning them with the latest scientific advances and working to close the gap between current commitments and the Agreement's objectives.⁵⁰

Both decisions underline the UNFCCC's continued commitment to countries strengthening their climate goals, highlighting the importance of mechanisms such as the Global Stocktake to evaluate progress and promote greater ambition.

With the development of new NDCs, five years after they were first presented by the countries, civil society in many countries insists on the need to maintain, at the very minimum, the level of ambition shown in 2020.

The topic of Nationally Determined Contributions leading up to COP29 has been criticized in several ways:

1. Lack of ambition and insufficient progress

A key criticism is that many of the current NDCs are not sufficiently ambitious to achieve the goals of the Paris Agreement. The Global Stocktake conducted at COP28 showed that current commitments are not yet aligned with the goal of limiting global warming to 1.5°C, and the actions proposed are inadequate to close the emissions gap. While it is expected that NDC 3.0 will increase ambition by 2025, there is no guarantee that all the countries will meet these commitments.⁵¹

2. Unequal responsibility

Developing countries face increasing pressure to expand their climate commitments despite a lack of adequate financial resources. Meanwhile, many developed countries have failed to deliver on their NDCs and climate finance pledges, which has generated a sense of inequality. While the target of USD 100 billion per year in climate finance was reached in 2024, this amount is recognized as still insufficient to meet climate commitments. This limits the ability of the most vulnerable countries to effectively implement their NDCs.⁵² Therefore, the Global North must comply and provide funding since the lack of economic resources severely limits the fulfillment of the NDCs by the most vulnerable countries.

The topic of loss and damage has gained importance in the discussion of Nationally Determined Contributions (NDCs), especially in terms of negotiations for COP29. Although NDCs have focused primarily on climate change mitigation and adaptation, the recognition of irreversible impacts has prompted many countries, especially the most vulnerable, to include mechanisms to address loss and damage within their commitments.

However, tensions persist between developed and developing countries regarding additional funding and the institutional structures needed to allow for the efficient, equitable distribution of these resources. Negotiations at COP29 will be crucial to define governance mechanisms and to ensure greater integration of loss and damage in NDCs in response to the growing demand for transparency and climate justice.⁵³

⁵⁰ Convención Marco de las Naciones Unidas sobre el Cambio Climático (CMNUCC). (2021). Decisión 1/CMA.3: Acelerar la implementación del Acuerdo de París y su objetivo de temperatura. <https://unfccc.int/documents/310516>

⁵¹ Convención Marco de las Naciones Unidas sobre el Cambio Climático (CMNUCC). (2023). Nuevo análisis sobre planes climáticos nacionales: El avance no es suficiente y la COP28 debe sentar las bases para una mayor ambición. <https://unfccc.int/es/news/nuevo-analisis-sobre-planes-climaticos-nacionales-el-avance-no-es-suficiente-y-la-cop28-debe-sentar>

⁵² Convención Marco de las Naciones Unidas sobre el Cambio Climático (CMNUCC). (2023). Nuevo análisis sobre planes climáticos nacionales: El avance no es suficiente y la COP28 debe sentar las bases para una mayor ambición. <https://unfccc.int/es/news/nuevo-analisis-sobre-planes-climaticos-nacionales-el-avance-no-es-suficiente-y-la-cop28-debe-sentar>

⁵³ <https://africanarguments.org/2024/03/loss-and-damage-fund-malawi-delays-leave-countries-waiting-and-wondering/>

3. Uncertainty surrounding implementation and review of targets

As progress is made toward NDC 3.0, concerns have been raised regarding the clarity of the mechanisms for implementing commitments. Critics argue that the carbon markets established in Article 6 need clear regulations to avoid practices like double counting and to maintain the environmental integrity of carbon transactions; similarly, the mechanisms for monitoring and transparency are unclear. Ahead of the 2025 target updates, uncertainty persists about the current process and the decision to review the NDCs and make them more ambitious.

While countries are expected to review and increase the ambition of their NDCs on a regular basis, there is no mandatory framework to ensure that all countries do so equitably. Monitoring and compliance with NDCs are essential, and to achieve this, funding obligations must be met. This leaves room for some to delay the implementation of actions or to rely excessively on compensation mechanisms, rather than making national reductions.

The uncertainty surrounding the revision of NDC targets for 2025 poses a significant risk to human rights. Under the Paris Agreement, countries must update their NDCs every five years, and the next review is scheduled for 2025⁵⁴.

However, the lack of clarity in several processes mentioned above about how the commitments will be strengthened and resources mobilized raises concerns about whether efforts will be sufficient to deliver on global climate goals.

This uncertainty has direct implications for human rights. The most vulnerable communities, which are already affected by extreme weather events, such as floods, droughts, and heat waves, could face increased violations of rights like access to water, food security, and health, as well as the impacts of increasingly frequent climate emergencies. Inaction or inadequate NDC targets for 2025 would hold back efforts to mitigate these impacts, disproportionately affecting populations that depend on urgent adaptation measures. Inadequate review of NDCs could limit the funds and resources needed to mitigate, adapt, and address the effects of climate change.

The 2025 review will be critical not only for transparency and climate compliance but also to ensure the protection of human rights in the face of the worsening impacts of climate change. It should be noted that the protection of human rights must be central in the response to climate change, and the lack of transparency and clarity of national commitments hinders this objective.

54 UNFCCC. (2015). Paris Agreement. United Nations Framework Convention on Climate Change. Disponible en: https://unfccc.int/files/essential_background/convention/application/pdf/english_pari_agreement.pdf

Political Position

The capacity of countries to mitigate, adapt, and cope depends on access to fresh, debt-free resources to implement actions within the different focuses. The Paris Agreement creates a voluntary framework for country commitments, but this does not mean that there are no state obligations. Countries must fulfill their climate obligations, while also ensuring the protection of the environment, human rights, the right to development, and more. There is no derogation clause within the Framework Convention on Climate Change. In climate action, common but differentiated responsibilities must be assumed. The Global North must provide adequate funding and take responsibility for the socio-environmental damage caused by the adverse effects of climate change.

Working within a multilateral framework implies the reaching of agreements; it should not imply the perpetuation of impositions by geopolitical forces or a regime exempt from international law. Increasing indebtedness, deepening technological and financial dependencies, and forcing power-based instead of law-based decisions in the face of pressing needs are not legitimate governance tools in a multilateral process. Unfortunately, the instrumentalization of the power of voluntary action and the lack of coercive mechanisms to ensure compliance with climate agreements has distorted the process toward inequality and inefficiency.

On 2 December, just a few days after the adjournment of COP29, States from around the world will present their legal arguments on these topics to the International Court of Justice, whose decision will mark a before and after in terms of the legal obligations of responsibility, reparations, and climate damage, setting a fundamental precedent for climate justice.

COP29 negotiations will continue their course but will face multiple challenges, especially in terms of NCQG funding and the fight for who should contribute to it. It is also the prelude to discussions on financial contributions for loss and damage and the development of new NDCs. On the other hand, it is also a strategic moment for civil society. We can reposition the discussion on climate governance based on state obligations and start closing the gaps that have motivated the ineffectiveness of climate agreements and heightened injustice. However, to achieve this goal we must recognize that we have rights, and that States must respect international law and human rights in climate discussions, actions, and agreements. It is time to change the course of the UNFCCC together. We Just Need Justice.

