African Sovereign Debt Justice Network (AfSDJN) Solidarity Statement with the Global South on the Inequitable Outcomes of COP 29

By:

The African Sovereign Debt Justice Network

26 November 2024

The African Sovereign Debt Justice Network (AfSDJN) stands in solidarity with African nations and the Global South in rejecting the outcome of the 29th Meeting of the Conference of Parties to the United Nations Framework Convention on Climate Change (COP 29) convened in Baku, Azerbaijan (11 to 22 November 2024). While the summit was dubbed the "*Finance COP,*" COP29 totally fell short of scaling up the finances necessary to adequately address the climate crisis. The countries most responsible for the climate crisis again refused to provide sufficient financing. Instead, developed economies pushed for a sub-optimal solution - for private investors to play a leading role. The outcomes of COP 29 will always be remembered for having been arrived at with open protests from many developing country delegations in the closing plenary, that were ignored as the conference came to a close two days after it was supposed to. The secretive and unprocedural manner in which the final outcome was negotiated and adopted is reflected by a walkout staged by representatives of the Alliance of Small Island States prior to the formal closing, but also in the late night unprocedural adoption of carbon markets rules in the first night of COP 29. This lack of transparency therefore explains why COP 29 was unable to deliver clearly defined justice-based outcomes to address the systemic inequities that define the global climate finance architecture. This statement focuses on key thematic issues from the two weeks of COP29, as well as reaction to the outcome of the conference, as follows:

Bridging the Climate Finance Gap in "Finance COP"

The first week of negotiations illuminated the dire financial and systemic gaps confronting Africa. With regard to the New Collective Quantified Goal (NCQG) for climate finance developing countries (led by the G77 and China which represents about 80% of the world's population) urged for a target of $1.3 trillion annually until 2030 to aid mitigation, adaptation, and address loss and damage caused by climate change. Replacing the previous commitment of US$100 billion per year that developed nations had pledged at COP15 in 2009, at COP 29, Parties were expected to agree to the NCQG for climate finance, taking into account the needs and priorities of developing countries. Speaking during a press conference by the Chairs of the AGN, G77 + China and the LDC Group, Adonia Ayebare highlighted the "*noticeable radio silence and absence of detailed plans and commitments from developed countries, complicating progress and undermining the negotiation process as time runs short*."

Discussions in the first week of COP 29 were therefore overshadowed by a persistent impasse regarding the quantum of climate finance under the NCQG. Negotiators remained divided on the total amount needed to adequately address the escalating climate crisis, with sharp disagreements over the mechanisms to mobilize these funds. For instance, developing nations were advocating for substantial, grant-based financing to address their adaptation and mitigation needs, while some developed countries continued to push for private-sector-driven solutions.

The second week of the conference began on a heated note, with the impasse continuing and tensions rising. Towards the end of the second week, a draft decision text was released. While the Presidency draft decision text on CMA 6 agenda item 11(a) NCQG, released on the 21st of November, recognized *the need for the implementation of the new collective quantified goal to reflect the evolving needs and capabilities of countries*, the text did not specify exact numerical figures for the proposed mobilisation goal, or for the provision element. Reacting to the draft text, Ambassador Ali Mohamed, the Special Climate Envoy for Kenya, said *the ten pages contain many of the principled positions from the African Group and other developing countries but continued to include many of the untenable positions of the developed countries as options in the text*.

The second week ended with the announcement of the COP 29 outcome, including a NCQG of US$300 billion per year by 2035. The COP 29 Presidency announced renewed draft negotiating texts, including a proposed figure for the NCQG. The draft decision text CMA 6 agenda item 8 *sets a goal with developed country Parties taking the lead, of at least USD 300 billion per year by 2035 for developing country Parties for climate action. Agenda 8(c) further recognises the voluntary intention of Parties to count all climate-related outflows from and climate-related finance mobilized by multilateral development banks towards achievement of the goal*. Undoubtedly, the voluntary contribution of funds to tackle the climate crisis completely negates the common but differentiated responsibility principle.

No Deal Would Have Been Better Than the Bad COP 29 Outcome

The AfSDJN shares the view that *No Deal would have been Better Than the Bad Deal* arrived at in COP 29. The pledged US$300 billion annual target for climate finance at COP29 is insufficient and falls drastically short of what is needed to tackle the climate crisis. The real cost of climate action is estimated to be between $5.1 to $6.8 trillion by 2030, far exceeding the COP 29 pledge of USD$300 billion annually. Developing countries, especially those in the Global South, have made it clear that a deal that does not hold developed nations accountable for their historical climate debt is unacceptable. According to Ambassador Ali Mohamed, who also serves as the Chair of the African Group of Negotiators at UNFCCC, African nations will not tolerate any suggestion that they, too, should contribute to the NCQG, a proposal that contradicts the Paris Agreement's established principles.

Further, the Baku outcome comes with immense ambiguity. For instance, the term "mobilised" finance, has proven to be meaningless in practice as it does not specify who will be mobilising such funds and to what extent. The African Group's concerns over this vague language are illustrative of how developed nations have wiggled out of their financial and legal obligations towards the developing nations. The outcome lacks clear, actionable and enforceable obligations. The outcome does not also commit developed nations to deliver the necessary finance and may very well be an empty promise.

Discussions on the sidelines of COP29 labelled as innovative solutions like the Climate Action Window (an African Development Bank (AfDB)-led mechanism aimed at mobilizing US$13 billion in future replenishments to accelerate adaptation and mitigation actions across the continent) remain grossly underfunded. The crux of the matter is that the COP 29 Outcome fails to address the core needs of the most vulnerable nations. From that perspective, COP 29 only served to perpetuate climate injustice, and it has once again left the Global South to bear the burden of a crisis they did not take part in creating. Unfortunately, the united voice of the Global South and all climate-vulnerable countries and a large cross-section of civil society groups calling for an equitable, ambitious, and legally binding climate finance agreement that ensures developed countries uphold their climate obligations was entirely ignored.

Rejecting False Promise of Carbon Markets Under Article 6

The AfSDJN draws attention to Article 6 of the Paris Agreement. Article 6 of the Paris Agreement was another focal point of COP 29 negotiations, especially after the limited progress made at COP28 last year. Article 6 allows countries to transfer carbon credits earned from the reduction of greenhouse gas emissions to help one or more countries meet climate targets. The approval of the Article 6.4 mechanism has laid the foundation for countries to trade carbon emission reductions, thereby launching the global carbon market. The decision to greenlight carbon credit rules under Article 6 during COP29's opening plenary puts in place an illusory solution to the climate crisis. Carbon markets, framed as climate solutions, are fundamentally permits to pollute—commodifying the climate crisis and enabling wealthy nations to evade meaningful emissions reductions. For Africa, such schemes risk perpetuating exploitation under the guise of progress, as global carbon markets shift the burden onto regions already suffering from colonial resource extraction legacies. AfSDJN categorically opposes these false solutions and urges COP29 to pivot toward substantive action that aligns with justice and equity.

Remaining Steadfast and Moving Forward: A Global South Agenda

The AfSDJN emphasizes that Africa's economic sovereignty cannot be compromised in pursuit of climate finance. Debt-based solutions and inequitable financing mechanisms will only exacerbate existing injustices, leaving African nations even more vulnerable. *African nations and the Global South must therefore remain united in their demands for*:

- Rejecting the NCQG of US$300 billion per year that was adopted at COP 29 and instead working towards a re-defined NCQG with a quantum that is sufficient to address the climate challenges faced by developing nations. The quantum and quality of the NCQG must therefore, be re-conceptualized to capture the needs and interests of all parties, particularly the Global South nations who have contributed less to climate-carbon emissions but have faced the full wrath of climate change and are still (unjustifiably) expected to foot the bill. Such an amount has been pegged and communicated at US$1.3 trillion, as proposed by G77 countries and China. The NCQG must be designed to overcome structural hurdles preventing equal access to climate finance. These impediments include high borrowing prices, stringent conditions, and recipient countries' inability to negotiate complex financial mechanisms. Such NCQG must, over and above, prioritise grant-based financing over loans and private/blended finance.

- The reduction of undue focus on private finance, which often prioritizes profits over people and deepens the financial vulnerabilities of climate-impacted nations. As highlighted in AfSDJN's Brief on Debt and Climate Vulnerable Countries in Africa, climate mitigation finance should not contribute to the unsustainable debt levels in African States. The emphasis should, instead, be on the widening of access to concessional climate finance free of conditionalities for climate-vulnerable countries.

- Rejection of false solutions, such as carbon markets under Article 6 of the Paris Agreement, which commodifies the climate crisis and absolves polluters of accountability. Climate financing must safeguard African sovereignty, emphasizing Africa's role in shaping climate finance, governance, and the reform of global debt and financial systems within the UN framework. This would necessitate structural reforms to the global debt and financial architecture, for sustainable climate financing for Africa is only possible in the context of a transformed global financial architecture.

- Therefore, AfSDJN calls for a renewed commitment to deliver on climate reparations, by first acknowledging that environmental inequalities and injustices are embedded in colonial history. The international law on climate change allows high emitters in the Global North to delay action through *voluntary standards* such as the principle of common but differentiated responsibility. As highlighted in the AfSDJN book on Transforming Climate Finance in an Era of Sovereign Debt Distress, African countries and the Global South should continue to focus on fact that the responsibility for the climate crisis lies with developed economies and therefore that they have an obligation to make adequate finances available to resolve the climate crisis.

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