

COP 27 Highlights: Wednesday, 16 November 2022

Negotiations moved slowly on several issues, particularly finance. For other issues, texts were forwarded to the COP Presidency or ministers for further consideration. Agreement on a decision on the Santiago Network was met with applause from negotiators. Talks on the Adaptation Fund Board also reached compromise.

COP

Matters Related to Finance: Long-term finance: In informal consultations in the morning, Co-Facilitators Carlos Fuller (Belize) and Gertraud Wollansky (Austria) invited general comments on a new, streamlined draft decision text. Wollansky informed the group they had until 6:00 pm to conclude negotiations. Parties began to work through the text, exchanging a range of views on each paragraph while making only limited progress in bridging gaps. A developing country group sought to delete language he felt shifted obligations from governments to the private sector, while developed countries pointed out it repeated previously-agreed language. With ongoing differences over most paragraphs and multiple brackets remaining, Wollansky invited parties to meet informally.

Second Periodic Review of the Long-term Global Goal under the Convention (LTGG): In informal consultations, Co-Facilitators Leon Charles (Grenada) and Andrew Ferrone (Luxembourg) presented a new draft decision text. Developed countries underlined that it represents their “maximum flexibility.”

Views sharply diverged on references to action before 2030, including peaking emissions between now and 2025, deep emissions reductions by 2030, and enhanced efforts under the Convention and Paris Agreement. Two developing country groups rejected the references to short-term goals in the context of the LTGG and suggested this “violates equity.” Other developed and developing countries stressed the importance of action in this decade in line with science. A developed country objected to references to both the Convention and Paris Agreement, which were supported by some developing countries.

After a developing country suggested adding a reference to historic emissions, some developed countries opined that a procedural conclusion may be needed.

Co-Facilitator Charles said the text and parties’ views would be relayed to the COP Presidency, including bracketed options on how to refer to equity, on which views continued to differ.

CMA

Glasgow–Sharm El-Sheikh Work Programme on the Global Goal on Adaptation (GGA): In informal consultations, Co-Facilitator Kishan Kumarsingh (Trinidad and Tobago) sought parties’ comments on draft text capturing parties’ submissions and views. Kumarsingh read out an amendment to include inadvertently omitted text at the beginning of a paragraph on a framework for the GGA: “Decides to establish a framework with its dimensions, themes, cross-cutting considerations, indicators/

metrics/targets as appropriate, and sources of information for achieving the goal...”

Parties expressed their preferred options and provided additional textual proposals. Views remained divergent, particularly on engagement with the Intergovernmental Panel on Climate Change and on whether to establish a framework at CMA 4. Some developed countries expressed interest in a compromise proposal for a structured approach and consideration of a framework in 2023.

Kumarsingh urged parties to engage informally to reduce the issues for ministers to resolve and asked parties to update the Co-Facilitators on progress by email.

Santiago Network of the Warsaw International Mechanism: In informal consultations, co-facilitated by Lucas di Pietro (Argentina) and Cornelia Jäger (Austria), breakout groups presented compromise text, which di Pietro asked for consideration as a package. After several parties sought to reinsert and debate previous proposals, parties switched to an informal informal setting.

Informal consultations reconvened with a report that parties had reached agreement. They agreed, *inter alia*: to recall the Paris Agreement and relevant COP and CMA decisions in the preambular text; that, in providing technical assistance, the Network should take into consideration the cross-cutting issues in the Paris Agreement preamble, paragraph 11 (on human rights, the rights of Indigenous Peoples, local communities, and vulnerable communities, and gender equality and intergenerational equity); to encourage “others” to provide support for the Network’s operation and technical assistance; and, in the criteria for host selection, to ensure ethical standards in the governance and management structure.

Work Programme under the Framework for Non-market Approaches Referred to in Article 6.8: In informal consultations, co-facilitated by Maria Al-Jishi (Saudi Arabia) and Jacqueline Ruesga (New Zealand), parties shared views on all sections of new draft decision text, issued the same morning, and in particular a section on a UNFCCC web-based platform for non-market approaches (NMAs). Parties also reported on constructive discussions in informal informals held the previous night.

On the platform, a developing country group clarified its vision of how actors involved with NMAs and support would first register relevant information via the platform, followed by both “roundtable working groups” to facilitate their matching and in-session workshops summarizing related outcomes. Parties exchanged views on, *inter alia*: the platform’s functions, namely recording of information and/or matchmaking; role of possible focal points; whether matching is a party-driven process or requires the Secretariat’s support; whether to refer to “matching” or “identification of opportunities”; and whether to mandate the Secretariat to assess the matching process.

On a proposed capacity-building programme, some groups called for first defining what is meant by NMAs and what capacity building under Article 6.8 would focus on. Despite this, they expressed openness to exploring related activities under the broader umbrella of Article 6.

Noting productive exchanges, the Co-Facilitators informed they would integrate inputs received in a further text iteration, to be made available on Thursday afternoon, 17 November, and consult with the Presidency on the way forward.

COP/CMA

Matters Relating to Finance: New collective quantified goal on climate finance: In informal consultations, Co-Facilitators Zaheer Fakir (South Africa) and Georg Børsting (Norway) informed parties that ministers had been given two contentious paragraphs to consider and invited this group to work on the rest of the text. Some developed countries expressed concern with the latest, third iteration of text and proposed reverting to the previous version. Many developing countries strongly opposed this, preferring the latest version, which they argued was more substantive. One party voiced unease that ministers were already being tasked with specific work when it was not clear which areas needed the most work or the exact text on which this work would be based.

Fakir explained the process so far, noting that no one had objected to the second iteration of the text, which had prompted further input and resulted in the third iteration. He explained that the intention had been to generate views on this text and then hold informal informals. He further explained that ministers would consider only key substantive, contentious, political topics, rather than detailed text. Given parties' divergent views and concerns, he indicated he would consult with the COP Presidency and report back on the way forward.

Guidance to the Green Climate Fund (GCF): In informal consultations, Co-Facilitators Richard Muyungi (Tanzania) and Toru Sugio (Japan) invited comments on a new iteration of the text. Delegates made progress on several paragraphs, although many differences remained. One developing country group sought text to "at least double" funding from the GCF-1 replenishment period, but this was not supported by developed countries. With delegates unable to agree, the Co-Facilitators will take up the issue with the Presidency.

Koronivia Joint Work on Agriculture: In informal consultations, Co-Facilitators Monika Figaj (Poland) and Ayman Amin (COP Presidency) informed parties that the Presidency and Co-Facilitators had produced a draft decision text as a "last resort," following the previous day's stalled negotiations. Amin outlined key proposals, including: alternatives for the term "climate action"; joint work to last four years; the SBs to report at COP 31 (2026); "food systems" as the first workshop topic; and a call for submissions on other workshops' topics.

Some parties expressed support and urged against multiple textual insertions, recognizing this was clearly a "compromise text." Some developing country groups and parties proposed changes they referred to as priorities, including submissions on operationalizing the joint work's objectives and capturing parties' views in a synthesis report. Views strongly diverged on certain items, including how to refer to those institutions or bodies that should take account of the SBs' conclusions in implementing adaptation and mitigation actions. Informal informals continued into the night.

Response Measures: In informal consultations held throughout the afternoon and into the evening, co-facilitated by Andrei Marcu (Papua New Guinea) and Daniel Waterschoot (EU), parties continued working on a draft decision text. Developing countries expressed concern at the lack of progress, noted this was a very important issue for them, and urged developed countries to engage constructively. Parties engaged in lengthy discussions as they worked their way gradually through the text, making numerous suggested edits and alterations. As of early evening, discussions were continuing, with a number of brackets remaining.

CMP

Matters Relating to the Clean Development Mechanism (CDM): In informal consultations, Co-Facilitator Kazuhisa Koakutsu (Japan) invited parties to explore bridging proposals in a new iteration of draft decision text issued the previous

day, relating to: the functioning of the CDM beyond the end of the Kyoto Protocol second commitment period, including processes relating to certified emission reduction (CER) issuance, methodologies, accreditation, afforestation and reforestation, and voluntary cancellation of post-2020 units; and management of financial resources.

On processes, a developing country group presented a bridging proposal to combine elements from the two main options in the text, namely setting dates or timeframes for individual processes, or mandating technical work by the Secretariat first, which was supported in principle by many parties. Specific elements discussed included: whether to allow for the continuation of bottom-up submissions of new methodologies and top-down revision of existing ones; and ensuring a holistic approach to the "end of the CDM."

A proposal by a developing country on allowing voluntary cancellations for post-2020 CERs was supported by another developing country and group. However, this was opposed by several groups and parties, which stated that: as decided in Glasgow (Decision 2/CMP.16), issuance for post-2020 emission reductions is not possible; and requests under temporary measures "stop" where they are recorded, meaning "temporary CERs" do not exist. Instead of mandating further work, as suggested by some, the proponent country said the urgency of this matter requires political resolution at this CMP.

On the management of financial resources, proposals included: undertaking, in 2023, a holistic assessment of these resources and how they should be used; and allocating a specific amount from the CDM Trust Fund to the Adaptation Fund already at this CMP.

Noting good progress, Koakutsu said the Co-Facilitators would issue a revised text and consult with the Presidency on the way forward.

CMP/CMA

Report of the Adaptation Fund Board: In informal consultations, delegates concluded their work on draft texts relating to the Adaptation Fund Board, agreeing on decisions for the CMP and CMA. The texts, *inter alia*, welcome financial pledges to the Fund and encourage continued and increased contributions. Co-Facilitators Diann Black-Layne (Antigua and Barbuda) and Eva Schreuder (Netherlands) thanked delegates for their flexibility in reaching an agreed outcome.

In the Corridors

People were trying to get a sense of this COP. One delegate said it "seemed stuck in gear" and another likened it to trying to run on ice. COP finance and long-term global goal talks were testy. In both, the negotiators somewhat reluctantly gave up control of some texts to the COP Presidency and ministers. At the same time, some felt that work on the overarching cover decisions pulled key people out of other negotiation rooms. But, applause echoing from the Santiago Network talks provided a much-needed sense of hope and one said he was applauding "on behalf of vulnerable countries and communities."

How to support those most impacted by, and least responsible for, climate change has been central to many discussions at this COP at and away from the negotiation table. The Global Shield Against Climate Risks, launched two days ago by the G7 and V20, demonstrated, as one delegate put it, "real, monetary recognition that people need loss and damage finance to survive." It aims to pre-arrange finance and insurance solutions for seven climate-vulnerable countries before a disaster strikes. But, at a civil society event on the Shield, some questioned the move, worrying that it could undermine the calls for a funding facility to be established at this COP. One observer blasted "it's just insurance for a few, and ignores so much of what loss and damage is about."

With more texts in the hands of the Presidency and anticipation of first versions of cover decision texts at the end of the day, there were questions on how all this would come together, both in terms of the package to be built and how the Presidency will interpret the assembly instructions written by parties.