

COP 27 Highlights:

Monday, 14 November 2022

Monday began with a recognition of the significant volume of work ahead. The Subsidiary Bodies forwarded a long list of issues to this second week of talks, adding to the slate of political-level discussions on key issues to be facilitated by ministers and the Presidency later in the week.

Presidency's Consultations

Informal Stocktake Plenary: COP President Sameh Shoukry outlined three tracks of work for the week. He explained that technical work would continue on the 13 agenda items left outstanding from the Subsidiary Bodies, spanning mitigation, adaptation, loss and damage, agriculture, gender, and response measures. Presidency consultations will also continue on the cover decisions and other issues identified in the opening plenaries. Ministerial consultations will begin Wednesday, 16 November.

Loss and Damage Governance: Facilitated by Amr Essam (Egypt), parties debated whether the Warsaw International Mechanism (WIM) is governed by the CMA only, or both the CMA and the COP. All developing country groups supported that the WIM be governed by the COP and CMA. A few developed countries said their interpretation of the Paris Agreement is that the WIM is only under the CMA, with one expressing flexibility to explore dual authority. Parties agreed to take this discussion up next year, and for this year use the "Glasgow approach," whereby the COP would endorse the CMA's outcomes.

COP

National Adaptation Plans: In informal consultations, co-facilitated by Pepetua Latasi (Tuvalu) and Jens Fugl (Denmark), Latasi sought comments on the latest draft decision text.

On a paragraph highlighting the importance of scaling up adaptation action and support, one group suggested shortening the text by simply referring to the adaptation sections of the Glasgow Climate Pact (decision 1/CP.26), particularly the call for developed country parties to significantly scale up their provision of adaptation finance.

Three developed countries pointed to the Green Climate Fund (GCF) guidance agenda item as a more appropriate forum to discuss GCF adaptation funding specifically. Several developing country groups disagreed and emphasized the need for implementation and action, expressing dissatisfaction with language simply "underscoring" the importance of this matter. Consultations will continue.

CMA

High-level Ministerial Roundtable on Pre-2030 Ambition: COP 27 President Shoukry relayed that the Presidency will prepare an informal note to reflect the views expressed at this roundtable.

UNFCCC Executive Secretary Simon Stiell called for an ambitious mitigation work programme that would reduce emissions faster, catalyze impactful actions, and secure assurances from key parties that they will raise ambition.

Bernd Hackmann, UNFCCC Secretariat, presented the Nationally Determined Contributions (NDC) Synthesis Report, which provides an overview of current and updated NDCs, highlighting that their implementation would raise emissions 10.6% by 2030.

Jim Skea, Intergovernmental Panel on Climate Change (IPCC) Working Group III Co-Chair, relayed major findings from the group's report on mitigation, stressing that options exist in all sectors that could halve emissions from 2019 levels and cost less than 100 USD per ton of carbon dioxide equivalent, or even pay for themselves.

Hong Patterson, GCF, highlighted the Fund's Sustainable Renewables Risk Mitigation Initiative, which supports six African countries and Uzbekistan to address challenges to private sector investment in renewable energy.

Ministers delivered a common call to urgently ramp up ambition, with several developing countries stressing the need for support. On the mitigation work programme, SINGAPORE expressed concern that current text on the table may lead to a series of "talk shops," and the UK called for clear modalities. Bhutan, for the LEAST DEVELOPED COUNTRIES (LDCs), called for a clear calendar of milestones for countries to follow.

On the COP 27 cover decisions, JAPAN, TUVALU, and others called for an emphasis on mitigation ambition. AUSTRALIA suggested a commitment to move toward 100% renewable energy.

On fossil fuels, Antigua and Barbuda, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), stressed that safeguarding future generations means stranding assets. TUVALU and VANUATU called for a fossil fuel non-proliferation treaty and the UK called for stepping up efforts to phase out coal.

On support, BOLIVIA, GABON, and other developing countries stressed the need to deliver on previous financial promises and ensure support for just transitions. Citing the need to "mobilize trillions" in financial support, the EU underscored the private sector's role.

Glasgow-Sharm El-Sheikh Work Programme on the Global Goal on Adaptation: In informal consultations, Co-Facilitators

Mattias Frumerie (Sweden) and Kishan Kumarsingh (Trinidad and Tobago) requested parties to streamline the text where possible and, where views diverged, to set out options. Several parties reiterated that their proposals were not reflected in the text and sought their incorporation. Others identified red lines.

On an option for a framework to guide future work, supported by many developing country groups and opposed by some developed countries, some parties expressed willingness to find a middle ground and consider “a structured approach” to guide the work programme and contribute to the Global Stocktake.

The Co-Facilitators urged parties to discuss among themselves using the Co-Facilitators’ text, resisting several parties’ requests for new text incorporating submissions. Due to disagreement on next steps, the Co-Facilitators said they will seek the Presidency’s guidance on the way forward.

Matters Related to Finance: New collective quantified goal on climate finance: In informal consultations, co-facilitated by Zaheer Fakir (South Africa) and Georg Børsting (Norway), a group of developing countries said the current text was too procedural and needed more substance. Parties also discussed how prescriptive the text should be in its guidance on topics for future technical expert dialogues, with some questioning whether it should “micromanage” future topics at this stage. Consultations will continue.

Matters relating to the Adaptation Fund: In informal consultations, Co-Facilitators Diann Black-Layne (Antigua and Barbuda) and Eva Schreuder (Netherlands) invited views on the draft text, which they said was mirrored in CMP text, as appropriate.

On a paragraph underscoring the urgency of scaling up financial resources, several developing country groups asked to specify that “developed country parties” should provide support to developing countries, with others seeking to add, “in particular, small island developing states (SIDS) and LDCs.” One developing country group opposed specifying groups for support.

Three developed countries, opposed by a developing country group, suggested adding a paragraph emphasizing the importance of Paris Agreement parties’ full participation in Adaptation Fund discussions.

Many engaged with a proposal to note with concern certain countries’ ineligibility to access the Adaptation Fund Climate Innovation Accelerator. The Co-Facilitators will circulate new draft text.

Matters relating to funding arrangements responding to loss and damage: Informal consultations were co-facilitated by Julio Cordano (Chile) and Ursula Fuentes (Germany), who introduced an elements paper that aims to capture all ideas. Citing very little time to consider the document, many said their views were missing, with some suggesting that this document might not be acceptable as a basis for negotiations.

Several indicated that their call for this COP to establish a facility was missing, which Cordano noted was under the title “Outcome of the ‘process’ up until 2024.” Others expressed concern with a footnote stating, among others, that the outcomes on this agenda item do not involve liability or compensation, include the Glasgow Dialogue, and will launch a process with a view to adopting a conclusive decision no later than 2024. They suggested this diverges from the agreement on the scope of this agenda item. Consultations will continue.

Guidance on Cooperative Approaches Referred to in Article 6.2: In informal consultations, Co-Chairs Kuki Soejachmoen (Indonesia) and Peer Stiansen (Norway) outlined a proposed schedule of work for the next two days under this item, based on text forwarded from SBSTA, starting with the agreed electronic

format (AEF), Article 6 database, and centralized accounting and reporting platform (CARP). They noted “informal informal” timeslots available in the evenings.

On the AEF, parties indicated their preferred options for information in tables on actions and holdings. Many lamented the difficulty of engaging with a PDF format. Parties diverged on the specificity of the required information, with one developing country group stressing the need for many countries to first test the tables’ usability given their insufficient prior experience in this area and suggesting approving the AEF provisionally at this CMA. Those favoring agreement at this CMA pointed out that some countries foresee using internationally transferred mitigation outcomes (ITMOs) already in 2023 and that AEFs are needed to inform other components of the Article 6.2 reporting infrastructure.

Specific comments focused on, *inter alia*: interpretation of nomenclature under the heading “ITMO ID,” including the terms “ID” and “serial number”; streamlining and harmonizing nomenclature under “action type” and “sectors”; indicating mandatory and optional fields; and information and tracking of outcomes used towards other international mitigation purposes.

On the Article 6 database and CARP, parties proposed ways to advance work within the remaining time, including by dedicating further time for informal informals and identifying priority issues requiring decision at this CMA. Informal consultations will resume on Tuesday, 15 November.

Rules, Modalities and Procedures for the Mechanism Established by Article 6.4: In informal consultations, Co-Facilitators Kate Hancock (Australia) and Sonam Tashi (Bhutan) explained the CMA mandate for this week covers: the report of the Article 6.4 Supervisory Body (FCCC/PA/CMA/2022/6 and Add.1); and text forwarded from the Article 6.4 SBSTA discussions.

On the Supervisory Body’s recommendations, parties expressed support for the proposed rules of procedure and share of proceeds. On removals, parties, along with three observer groups, raised several concerns, calling for ensuring environmental integrity and aligning language on environmental and social safeguards and human and Indigenous Peoples’ rights with previous decisions. They also supported mandating the Body to work further on the recommendations and report back to CMA 5, and to: conduct this work jointly with that on related methodologies; undertake further stakeholder consultations and calls for submissions; and engage in further work on different removal types, reversals, leakage, and a grievance mechanism.

On other further work, groups called for ensuring the mechanism’s operationalization through requesting the Body to work on all relevant mandates, including methodologies, standardized baselines, Clean Development Mechanism (CDM) transition, and review of the CDM sustainable development tool. They also called for setting 2023 as the deadline to finalize this work and ensuring a dedicated support structure and sufficient funds.

Parties also briefly considered sections in the draft CMA decision text forwarded by SBSTA on the transition of CDM activities and on the use of certified emission reductions (CERs). Consultations will continue.

Work Programme under the Framework for Non-market Approaches Referred to in Article 6.8: In the contact group, Co-Chairs Maria Al-Jishi (Saudi Arabia) and Jacqueline Ruesga (New Zealand) explained the focus of work in the second week is to agree on remaining issues in the draft decision text forwarded from Article 6.8 SBSTA discussions. Deliberations then continued in informal consultations, with parties sharing views on sections

on an implementation schedule for work programme activities, and inputs to the review of these activities in 2026.

On the schedule, the Co-Chairs shared their bridging proposals relating to: mandating a schedule for activities in 2023 and an indicative schedule for 2024-2026; removing labels for the proposed work programme periods; and mandating the CMA to provide input annually instead of a mid-term assessment of the programme. Parties expressed their views, including for and against the bridging proposals.

On inputs to the 2026 review, parties debated whether the section was necessary, with some suggesting references to “standard procedures” at this stage and deciding on specific guidance later.

The Co-Chairs encouraged parties to continue discussions in “informal informals” in the afternoon.

COP/CMA

Guidance to the Green Climate Fund (GCF): In informal consultations, Co-Chair Toru Sugio (Japan) sought parties’ comments on the texts circulated on Saturday, 12 November, which included draft decision texts for the COP and CMA. Several parties appreciated the Co-Chairs’ efforts but said the drafts need a lot of work, citing redundant or confusing paragraphs. Some developing and developed countries cautioned against an outcome that micromanages the GCF, is too top-down, or prejudices items being considered by the Board. A developing country raised a concern about unbalanced representation on the Board. A developing country group expressed concern about “gaslighting” on loss and damage and said the GCF is not currently structured to address it. Another developing country group proposed reflecting that financial flows should be from developed to developing countries. Responding to concerns that some parties were unable to intervene orally, Co-Chair Sugio requested written submissions for incorporation into the next iteration. Consultations will continue.

Report and Review of the Adaptation Committee: In informal consultations facilitated by SBSTA Chair Tosi Mpanu Mpanu (Democratic Republic of the Congo), the Chair noted that, in the SBs’ conclusions, parties agreed to work on the basis of the Saturday, 12 November, 6:00 pm draft text, which condensed 11 pages into one. He urged delegates not to propose new text but to work on the compromise text instead. Parties suggested textual insertions, including on: collaboration with the IPCC; reference to NDC common timeframes; and translations to enhance stakeholder engagement in the Committee’s activities. Several opposed a proposal by a developed country for the CMA to conclude its review of the Committee.

Chair Mpanu Mpanu will consult with the Presidency on the way forward, and urged parties meanwhile to discuss informally.

CMP

Report of the Adaptation Fund Board: In informal consultations, co-facilitated by Diann Black-Layne (Antigua and Barbuda) and Eva Schreuder (Netherlands), countries heard views on the revised draft text circulated on Sunday, 13 November. One developed country reiterated its previous proposal to include “project approval” to “accreditation” in text on finding opportunities for streamlining processes, which a developing country group opposed, saying these are very different processes. One country offered as a compromise to consider a pilot in SIDS or LDCs that attempts to harmonize different funding processes to facilitate access to funding. A small group will explore this option. The Co-Facilitators will circulate new draft text.

Matters Relating to the Clean Development Mechanism:

In informal consultations co-facilitated by Alick Muvundika (Zambia) and Kazuhisa Koakutsu (Japan), parties shared views on the first iteration of draft CMP decision text, issued on Sunday, 13 November, containing a placeholder for text forwarded from the SBSTA on CER transfers.

On the CMA decision, parties expressed diverging views regarding time frames for temporary and transition processes related to: CER issuance; methodology approvals, revisions or updates; and accreditation of operational entities. Some preferred setting specific dates, with others opposing. Meanwhile, some called for linking some of these processes to the operationalization of the Article 6.4 mechanism, and yet others suggested mandating the Secretariat to conduct technical work and deciding on these matters at CMP 18 in 2023.

Parties also diverged on whether to include afforestation and reforestation as activities subject to the temporary measures, and enable voluntary cancellations of post-2020 CERs.

The Co-Facilitators informed that they would issue a new iteration of text and encouraged parties to consult informally.

Matters Relating to the Forum on the Impact of the Implementation of Response Measures: In the informal consultations, Co-Facilitators Andrei Marcu (Papua New Guinea) and Daniel Waterschoot (EU) invited views on a draft decision text. Delegates focused on text addressing various “aspects” or “activities” relating to the midterm review of the forum. They agreed to discuss text on cross-cutting issues, regional issues, indicators and reporting, regional workshops, case studies, training, meetings, linkages with other matters, just transition, and impacts of phasing down coal power and phasing out inefficient fossil fuel subsidies.

Many differences persisted. Developed countries proposed deleting language on common but differentiated responsibilities in relation to human rights, opposed by developing countries. Developed countries sought the deletion of text on regional workshops and on more meeting days for the Katowice Committee of Experts (KCI). These deletions were opposed by developing countries.

Developing countries suggested deleting text on indicators to track the impacts of the forum’s workplan, while several developed countries preferred retaining it. Discussions resumed informally later in the evening.

In the Corridors

Even with a week left, time is at a premium. The number of issues forwarded from the Subsidiary Bodies “might just be a record,” opined a long-time delegate. Adding to the usual raft of week-two topics, like finance, are thirteen Subsidiary Body issues covering the gamut of climate governance. While seemingly different, some noted a similar sticking point across the agenda items: finance and support more generally. Even in gender, often viewed as a less controversial issue, a debate about how to support developing countries sparked a difficult conversation that continues this week.

Facing this backlog of technical work, and with ministers now on site demanding progress before they engage in more political discussions, there were repeated calls for more time for negotiations. “Extra time” was found – in the evening and into the night.

UNFCCC Executive Secretary Stiell had a different timeline on his mind, telling ministers that it is “time to face our collective fate” as they faced the state of mitigation efforts and the warmer, less secure world they will create.