

## COP 27 Highlights: Saturday, 12 November 2022

The first week of the Sharm El-Sheikh Climate Change Conference concluded with the closing plenaries of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and Subsidiary Body for Implementation (SBI). Substantive conclusions were adopted on a limited number of issues, mostly related to the consideration of reports by constituted bodies and to reporting. On many issues, only procedural conclusions were adopted which noted that further work is required to finalize the relevant decisions.

### COP

**Long-term finance:** In informal consultations, co-facilitated by Carlos Fuller (Belize), parties welcomed the co-facilitators' draft text, circulated the previous night along with a compilation of submissions and inputs received. They requested further streamlining of the text, including by using decision text from previous years.

Developing countries highlighted as important areas, *inter alia*, concern over gaps in fulfillment of pledges and between needs and delivery, and a common definition of climate finance. They also called for using agreed language and terminology, opposing, among others, references to "parties" and "donors," noting the provision of finance is not a donation but a commitment. Many developing countries also opposed references to the Progress Report on the Climate Finance Delivery Plan, saying it comes from outside the UNFCCC process.

Developed and developing countries diverged on whether to mandate the Standing Committee on Finance (SCF) to prepare an annual report on the delivery of the USD 100 billion goal, with developed countries noting the reporting cycle under the Paris Agreement's Enhanced Transparency Framework is biennial. In response to some developing countries opposing references to Paris Agreement Article 2.1(c) (on consistency of finance flows), two groups stated that an agreement had been reached in ministerial discussions in Glasgow to have an agenda item on this article, while recognizing that this item is not the right place for discussing this.

Discussions will continue in the second week, based on a co-facilitators' revised draft text.

### CMA

**New collective quantified goal on climate finance:** In informal consultations, Co-Facilitators Zaheer Fakir (South Africa) and Georg Børsting (Norway) shared that a compilation of parties' submissions and in-session inputs for draft decision text had been made available, and invited comments on the co-facilitators' proposed structure for the draft decision, including: past decisions; stocktake of progress; procedural elements, such as working modalities, participation, and submissions; and substantive elements, such as themes and topics to be addressed, and guidance for the high-level ministerial dialogue.

Parties expressed support for the proposed structure and mandated the co-facilitators to prepare a first draft decision text.

Developing countries underscored, *inter alia*: calling on developed countries to accelerate delivery of their finance goals; the level of the new goal; principles of the Convention; public and grant-based finance; balance between adaptation and mitigation finance; and transparency and accounting arrangements for tracking delivery.

Countries diverged on whether to agree on the modalities for the work programme under this item for 2023 only or also 2024. One identified a decision on the themes of the technical expert dialogues (TEDs) as an area requiring time in the second week.

Most parties agreed on the need to make the ministerial dialogues more interactive and focused on delivering political guidance for the technical process under the work programme. Others called for also revising the format of the TEDs to be more outcome-oriented.

Discussions will continue in the second week, based on the co-facilitators' draft text.

### COP/CMA

**Matters relating to the Standing Committee on Finance:** In informal consultations, Co-Facilitators Janine Felson (Belize) and Dominic Molloy (UK) invited parties to reflect on a text based on a compilation of submissions and inputs, shared earlier in the day. Parties reflected on paragraphs relating to: the Fifth Biennial Assessment and Overview of Climate Finance Flows; Paris Agreement Article 2.1(c); and climate finance definitions. Parties called for the co-facilitators to further streamline the text, including by removing duplication.

On the Biennial Assessment, parties shared views on elements and data, including quantitative information, to be highlighted in the decision. Some groups called for also referencing non-Paris Agreement aligned flows. Some called for referencing the recommendations from the SCF report (FCCC/CP/2022/8/Add.1–FCCC/PA/CMA/2022/7/Add.1).

Noting challenges relating to the SCF's draft guidance for the Financial Mechanism's operating entities, one developed country suggested removing this element from the Committee's terms of reference. A developing country group opposed, calling for requesting the SCF instead to improve engagement with parties.

On Article 2.1(c), many called for a space for a dedicated discussion. Two developing country groups opposed references to the SCF's mapping and synthesis of views, arguing they are not representative of all parties' views and stressing the Article must be interpreted in the broader context of the Paris Agreement. One developing country group reiterated that it wishes to elevate the discussion on finance definitions to the political level.

Discussions will continue in the second week on the basis of a revised co-facilitators' draft text.

**Matters Relating to Funding Arrangements Responding to Loss and Damage Associated with the Adverse Effects of Climate Change, Including a Focus on Addressing Loss and Damage:** In informal consultations, co-facilitated by Ursula

Fuentes (Germany), several developing country groups reiterated their call to establish a finance facility for loss and damage at COP 27/CMA 4 and set out a clear roadmap to ensure its full operationalization by 2024. Several also suggested establishing an *ad hoc* committee to guide the operationalization process, noting the need to give it a clear mandate and timeline, decide on its composition and modalities of work, and ensure sufficient budgetary provisions.

Several developed countries reiterated their acknowledgment of funding gaps, the diversity of challenges related to loss and damage, and the urgency to address the matter. They emphasized: building on existing initiatives; welcoming announcements of support; examining issues at the regional level; and prioritizing support for those most vulnerable.

Many envisioned the Glasgow Dialogue to provide the space to discuss specific issues, including slow-onset events, rapid response, the role of multilateral development banks (MDBs), and debt relief. One developing country group recalled similar work done over the past decade, pointing among others to extensive work done by the SCF.

Fuentes invited parties to share written versions of statements made during the session, noting these will be published on the UNFCCC website. Building on the views expressed by parties, the co-facilitators will prepare an overview of elements to be included in the decisions to be taken at COP 27/CMA 4.

## SBSTA

**Organizational Matters: Election of officers other than the Chair:** SBSTA Chair Tosi Mpanu Mpanu (Democratic Republic of the Congo) reported that the Secretariat had received no nominations, therefore under Rule 22(2) of the UNFCCC's draft Rules of Procedure, Kakhaberi Mdivani (Georgia) and Zita Kassa Wilks (Gabon) will continue to serve as Vice-Chair and Rapporteur, respectively, until their successors are elected at the next session.

**Matters Relating to Science and Review: Research and systemic observation:** The SBSTA adopted conclusions (FCCC/SBSTA/2022/L.20) and recommended a draft decision for consideration and adoption by the COP (FCCC/SBSTA/2022/L.20/Add.1).

**Methodological Issues Under the Convention: Training programme for review experts for the technical review of GHG inventories of Annex I parties:** The SBSTA adopted conclusions (FCCC/SBSTA/2022/L.16).

**Training programme for review experts for the technical review of biennial reports and national communications of Annex I parties:** The SBSTA adopted conclusions (FCCC/SBSTA/2022/L.15).

**Revision of the UNFCCC reporting guidelines on annual inventories for Annex I parties:** The SBSTA adopted conclusions (FCCC/SBSTA/2022/L.19), which contain a draft COP decision, as orally amended.

**Common metrics:** The SBSTA adopted conclusions (FCCC/SBSTA/2022/L.25) and recommended a draft decision for consideration and adoption by the COP (FCCC/SBSTA/2022/L.25/Add.1).

**Emissions from fuel used for international aviation and maritime transport:** The SBSTA adopted conclusions (FCCC/SBSTA/2022/L.22).

**Matters Relating to Reporting and Review Under Article 13 of the Paris Agreement: Options for conducting reviews on a voluntary basis and respective training courses needed to facilitate these reviews:** The SBSTA adopted conclusions (FCCC/SBSTA/2022/L.18) containing a draft decision for consideration and adoption by the CMA.

**Guidance on Cooperative Approaches Referred to in Article 6.2:** In informal consultations, Co-Facilitators Kuki Soejachmoen (Indonesia) and Peer Stiansen (Norway) recalled that parties had asked for further time to consider the co-facilitators' draft text containing draft procedural SBSTA conclusions, and a bracketed draft CMA decision, introduced the previous day. They reported

that the Presidency had agreed to reflect, in the next iteration of the draft CMA decision, a paragraph on capacity building similar to the text on capacity building in the Article 6.4 draft. The co-facilitators asked if parties were willing to adopt the draft SBSTA conclusions and forward the draft CMA decision to the Presidency for continued consultations in the second week.

Most parties underlined that the draft CMA decision did not represent consensus, with several identifying missing elements, including in relation to review, infrastructure, and reporting. Parties agreed to the draft SBSTA conclusions and bracketed draft CMA decision as presented.

During its closing plenary, the SBSTA adopted conclusions (FCCC/SBSTA/2022/L.23). SBSTA Chair Mpanu Mpanu noted parties had not yet reached agreement on a draft decision on this item and said he would bring unresolved issues to the attention of the CMA President for his further guidance on next steps.

**Rules, Modalities and Procedures for the Mechanism Established by Article 6.4:** In informal consultations, Co-Facilitator Kate Hancock (Australia) introduced a new iteration of the draft text, containing procedural draft SBSTA conclusions and a draft CMA decision. She noted the conclusions contained a disclaimer clarifying that the decision text does not represent consensus and will require further work by the CMA in the second week. Parties agreed to the draft conclusions with the annexed draft decision text, as presented, to be forwarded to the SBSTA Chair.

In its closing plenary, the SBSTA adopted conclusions (FCCC/SBSTA/2022/L.21). Mpanu Mpanu noted parties had not yet reached agreement on a draft decision on this item and said he would bring unresolved issues to the attention of the CMA President for his further guidance on next steps.

**Work Programme under the Framework for Non-market Approaches Referred to in Article 6.8:** The SBSTA adopted conclusions (FCCC/SBSTA/2022/L.24). Mpanu Mpanu noted parties had not yet reached agreement on a draft decision on this item and said he will bring unresolved issues to the attention of the CMA President for his further guidance on next steps.

**Closure of the SBSTA:** Parties adopted the draft report of SBSTA 57 (FCCC/SBSTA/2022/L.17). Chair Mpanu Mpanu thanked all for "an extraordinary journey" at a critical time for the planet, and declared SBSTA 57 closed at 11:05 pm.

## SBI

**Organizational Matters: Election of officers other than the Chair:** SBI Chair Marianne Karlsen (Norway) reported that the Secretariat had received no nominations, therefore under Rule 22(2) of the UNFCCC's draft Rules of Procedure, Juan Carlos Monterrey Gómez (Panama) and Aysin Turpanci (Turkey) will remain in office as the SBI Vice-Chair and SBI Rapporteur, respectively, until their successors are elected at the next session.

**Non-Annex I Reporting: Information contained in national communications:** This item is held in abeyance. The item will be added to the provisional agenda of SB 58.

**Report and terms of reference of the Consultative Group of Experts:** The SBI adopted conclusions (FCCC/SBI/2022/L.21).

**Provision of financial and technical support:** The SBI adopted conclusions (FCCC/SBI/2022/L.26).

**Matters Relating to the Clean Development Mechanism Registry:** The SBI adopted conclusions (FCCC/SBI/2022/L.29). Karlsen noted that parties were unable to conclude work on this item, and the CMP Presidency will inform parties of the way forward.

**Matters Relating to LDCs:** The SBI adopted conclusions (FCCC/SBI/2022/L.30). Karlsen noted that parties were unable to conclude work on this item, and the COP Presidency will inform parties of the way forward.

**National Adaptation Plans:** The SBI adopted conclusions (FCCC/SBI/2022/L.31). Karlsen noted that parties were unable to conclude work on this item, and the COP Presidency will inform parties of the way forward.

### **Development and Transfer of Technologies: Linkages between the Technology Mechanism and the Financial Mechanism:**

The SBI adopted conclusions (FCCC/SBI/2022/L.24).

**First periodic assessment:** The SBI adopted conclusions and recommended a draft decision for adoption by the CMA (FCCC/SBI/2022/L.27 and Add.1).

**Poznan strategic programme on technology transfer:** The SBI adopted conclusions (FCCC/SBI/2022/L.28).

**Matters Relating to the Adaptation Fund: Fourth Review of the Adaptation Fund:** The SBI adopted conclusions, containing a draft CMP decision (FCCC/SBI/2022/L.22). The US expressed deep disappointment that parties to the Paris Agreement were not permitted to fully participate in the consideration of this agenda item, saying his country is a strong supporter of the Adaptation Fund and had announced, on Friday, 11 November, that it would double its existing pledge to a new total of USD 100 million.

**Matters Related to Capacity Building:** The SBI adopted conclusions containing draft COP and CMA decisions (FCCC/SBI/2022/L.19 and L.20, respectively).

**Gender:** The SBI adopted conclusions (FCCC/SBI/2022/L.32). Karlsen noted that parties were unable to conclude work on this item, and the COP Presidency will inform parties of the way forward.

**Matters related to Action for Climate Empowerment:** The SBI adopted conclusions containing a draft COP and CMA decision (FCCC/SBI/2022/L.23), as orally amended.

**Administrative, Financial and Institutional Matters:** The SBI adopted conclusions (FCCC/SBI/2022/L.17) with addenda containing draft COP and CMP decisions (FCCC/SBI/2022/L.17/Add.1 and Add.2, respectively).

**Reporting and Review Pursuant to Article 13 of the Paris Agreement: Provision of financial and technical support to developing countries for reporting and capacity building:** The SBI adopted conclusions (FCCC/SBI/2022/L.25).

**Closure of the SBI:** Parties adopted the draft report of SBI 57 (FCCC/SBI/2022/L.18). Chair Karlsen thanked everyone for a rich and extraordinary three years she served as SBI Chair, and closed the meeting at 10:59 pm.

### **Subsidiary Bodies**

The SBs considered joint items in a joint closing plenary.

**Report of the Adaptation Committee:** The SBs adopted conclusions (FCCC/SB/2022/L.13). The SB Chairs noted parties had not agreed on an outcome and they would bring this to the COP/CMA President's attention for his guidance on next steps.

**Glasgow-Sharm El-Sheikh Work Programme on the Global Goal on Adaptation:** In informal consultations, co-facilitated by Mattias Frumerie (Sweden) and Kishan Kumarsingh (Trinidad and Tobago), parties heard a report back from informal informals, noting increasing convergence around a developing country group's proposed framework, the elements of which are proposed to be elaborated in the 2023 workshops. Several developing country groups and parties expressed support for the proposal and underscored the need for a substantive outcome at SB 57. A developed country opposed, citing insufficient time to consider it. Other parties shared views on a co-facilitators' draft text, including on elements under the option for a framework.

A developing country group urged for its submissions to be reflected in the text, and another suggested forwarding all conference room papers to the SB Chairs alongside the co-facilitators' draft text.

A developing country group requested it be put on record that security prevented many groups from entering the room for over two-thirds of the session, despite there being empty seats. Points of order ensued.

The co-facilitators informed they would forward procedural conclusions to the SB Chairs, noting parties could not reach agreement.

In their joint closing plenary, the SBs adopted conclusions (FCCC/SB/2022/L.15). The SB Chairs noted parties had not agreed on an outcome and that they would bring this to the CMA President's attention for his guidance on next steps. PAKISTAN lamented parties' inability to advance work under this item at the SBs, urging all to continue working constructively to reach common ground.

**Report of the Executive Committee (ExCom) of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM):** The SBs adopted conclusions containing a draft COP and CMA decision (FCCC/SB/2022/L.11).

**Matters Relating to the Santiago Network under the WIM:** In informal consultations, Co-Facilitators Lucas di Pietro (Argentina) and Cornelia Jäger (Austria) presented draft procedural conclusions noting that the SBs continued, but did not conclude, consideration of matters under this agenda item and agreed to forward the matter to COP 27 and CMA 4 for further guidance, taking into account the co-facilitators' informal note. Parties disagreed on whether to refer to "governing body or bodies" or name a particular body or bodies, and if so, which. They also debated whether to include a footnote noting that discussions on the governance of the WIM are ongoing, which could provide assurances that this would be subject to the Presidency's ongoing consultations on WIM governance.

In their closing plenary, the SBs adopted conclusions (FCCC/SB/2022/L.17). The SB Chairs noted parties had not agreed on an outcome and they would bring this to the COP and/or CMA President's attention for his guidance on next steps.

**Koronivia Joint Work on Agriculture:** The SBs adopted conclusions (FCCC/SB/2022/L.9). The SB Chairs noted parties had not agreed on an outcome and they would bring this to the COP President's attention for his guidance on next steps.

**Matters Relating to the Work Programme for Urgently Scaling up Mitigation Ambition and Implementation:** Co-Facilitators Carlos Fuller (Belize) and Kay Harrison (New Zealand) introduced draft text containing draft SB conclusions, a bracketed draft CMA decision, and an annex to the CMA decision on the thematic areas of the work programme. They invited parties' comments on the text.

Many parties expressed willingness to agree to the SB conclusions and forward the draft CMA decision for further consultations during the second week. One developing country group said the draft conclusions should reflect that the draft CMA decision and its annex have not achieved consensus and are not ready to be adopted.

Several countries identified missing elements from the text which they wanted reflected before they could accept it as the basis for further work, including referencing exact language from the Paris Agreement in relation to the temperature goal, and deleting "vulnerable developing countries" from the text and using agreed language instead. One party called for clarity on how the work programme would deliver on its mandate, noting the need to be more than a "talk shop." Another party proposed establishing a cross-sectoral just transitions financing framework.

One developed country underlined its request to capture, factually, the current status of emissions and the countries that can contribute the most to emission reductions. One developing country group called for including, in the annex, reference to carbon capture and storage and carbon dioxide removal technologies, and, in the preamble to the draft CMA decision, text stating that "human-induced climate change is a consequence of more than a century of net greenhouse emissions."

A developed country expressed its wish to keep a space in the informal consultations to discuss some of the political elements around mitigation, pending clarity regarding the Presidency's consultations on the cover decisions.

The co-facilitators informed they would produce revised draft text based on parties' comments and forward it to the SB Chairs for consideration at the closing plenaries.

In their closing plenary, the SBs adopted conclusions (FCCC/SB/2022/L.14). The SB Chairs noted parties had not agreed on an outcome and they would bring this to the CMA President's attention for his guidance on next steps.

**Matters Relating to the Global Stocktake:** The SBs adopted conclusions (FCCC/SB/2022/L.8).

**Development and Transfer of Technologies: Joint report of the Technology Executive Committee and Climate Technology Centre and Network:** The SBs adopted two sets of conclusions, one containing a draft COP decision (FCCC/SB/2022/L.12), and the other containing a draft CMA decision (FCCC/SB/2022/L.16). CHILE expressed concern over the exclusion of some countries from the Adaptation Fund Climate Innovation Accelerator.

**Matters Relating to the Forum on the Impact of the Implementation of Response Measures:** The SBs adopted conclusions (FCCC/SB/2022/L.10). The SB Chairs noted parties had not agreed on an outcome and that they would bring this to the COP/CMP/CMA President's attention for his guidance on next steps.

**Second periodic review of the long-term global goal under the Convention and of overall progress towards achieving it:** The SBs adopted conclusions (FCCC/SB/2022/L.18). The SB Chairs noted parties had not agreed on an outcome and they would bring this to the COP President's attention for his guidance on next steps.

### Closing Statements

Thanking the outgoing SB Chairs Mpanu Mpanu and Karlsen for their work over the past three years, UNFCCC Executive Secretary Simon Stiell reprimanded parties for leaving too many issues still unresolved, saying "if we create a logjam in the process, we will not create an outcome that is deserving of this process." He called on parties to convene and close their work as soon as possible to achieve an ambitious outcome from this conference.

Pakistan, for the G-77/CHINA, called for an ambitious outcome on finance, underlined the group's objective of a technology implementation work programme, and expressed disappointment that all efforts to seek implementation of national adaptation plans (NAPs) had been objected to by their partners. The EU looked forward to progressing work in the second week of the Conference. Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, expressed the group's appreciation to the SB Chairs for their hard work.

Australia, for AUSTRALIA, CANADA, JAPAN, ICELAND, ISRAEL, NEW ZEALAND, NORWAY, UKRAINE, and the US, expressed disappointment at parties' inability to reach conclusions on many items and urged all parties to cooperate to make progress on issues.

Zambia, for the AFRICAN GROUP, called for COP 27 to deliver on scaling up adaptation action and support, including through the Global Goal on Adaptation (GGA) and, on loss and damage funding arrangements, a decision establishing a new operating entity of the Financial Mechanism.

Antigua and Barbuda, for the ALLIANCE OF SMALL ISLAND STATES, urged a more structured approach for 2023 under the GGA, highlighting the group's proposal in this regard.

Senegal, for the LEAST DEVELOPED COUNTRIES (LDCs), underlined that the mitigation work programme should facilitate the mobilization of resources for the implementation of action in LDCs, and called for support for NAP implementation.

Bolivia, for the LIKE-MINDED GROUP OF DEVELOPING COUNTRIES, expressed concern about ongoing climate injustice, lamenting developed countries' attempts to shift the burden of addressing climate change to developing countries, the private sector, and MDBs.

Colombia, for the INDEPENDENT ALLIANCE OF LATIN AMERICA AND THE CARIBBEAN, regretted the lack of substantive agreement on important items but said the group will keep expectations high, and expressed willingness to engage constructively.

Venezuela, for the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA, called on developed countries to deliver on the USD 100 billion commitment, adopt decisive measures to significantly increase this figure to cover climate finance needs, and honor their adaptation debt. He emphasized the importance of non-market approaches (NMAs) and of implementing a loss and damage finance mechanism as soon as possible.

Brazil, for ARGENTINA, BRAZIL, and URUGUAY, expressed deep concern about loss and damage discussions and called for progress, particularly on: establishing a loss and damage finance facility; the Santiago Network; the GGA; Article 6; and the mitigation work programme.

Saudi Arabia, for the ARAB GROUP, highlighted the importance of balance in both the negotiations and the outcomes, and expressed concern with the lack of progress in adaptation and mitigation discussions.

MALDIVES defined success as: a cover decision that keeps 1.5°C alive; a robust GGA; loss and damage funding from all available sources; and transformation of the entire financial system.

BOLIVIA underscored climate action should benefit all living beings and protect the rights of Mother Earth. She called for full operationalization of NMAs and for a balance in the consultations on cooperative implementation (Article 6).

CHILE and the UK thanked the SB Chairs for the support given during their respective COP presidencies.

RESEARCH AND INDEPENDENT NON-GOVERNMENTAL ORGANIZATIONS (RINGOs) called for taking into account social sciences and recommendations by researchers of the Global South in the design of climate policies.

WOMEN AND GENDER expressed disappointment with the review process of the gender action plan, saying it rolled back on progressive language on human rights and equality.

CHILDREN AND YOUTH NGOs called for inclusion of youth in transparency reporting and review processes and shaping the GGA, and for funding for youth-led climate projects.

BUSINESS AND INDUSTRY NGOS (BINGOs) stated that the global business community stands behind the goal of achieving net-zero emissions by 2050 and described limiting global warming to 1.5°C as imperative.

Climate Action Network, for ENVIRONMENTAL NGOS, called for a delivery plan for doubling adaptation finance, and said it is unacceptable to restrict the cover decision to elements from agenda items only.

FARMERS called for the "current Koronivia to end" and a new discussion to begin, with a discussion on practical implementation, saying farmers already have solutions but need financing and partnerships.

### In the Corridors

"Well, at least it was rather swift," noted a somber delegate, leaving the closing plenaries of the Subsidiary Bodies. Despite several interruptions due to technical issues with the UNFCCC website, the Bodies considered the outcomes of discussions on all their agenda items and heard reflections by parties and observers, "all in under four hours."

However, "outcomes is an overstatement in this case," opined an observer. The logjam of issues on which no substantive agreement could be found during the first week is impressive. At this point, no one is expecting a quick resolution of Article 6, evidently. But "what is the matter with national adaptation plans?" she asked.

In all likelihood, outstanding issues will be further discussed under the governing bodies in the second week. Yet many wondered about the Presidency's notable absence from the closing plenaries. "I guess we'll hear suggestions on the way forward on Monday," offered a puzzled delegate, who hoped a day of rest would manage to transform the meeting from what he termed as "negotiating by submissions" towards the implementation COP it is being touted as.