

Glasgow Climate Change Conference: Saturday, 6 November 2021

Finance, transparency, and Article 6 (cooperative approaches) discussions occurred throughout the day. The closing plenaries of the SBSTA and the SBI convened to adopt most decisions, and referred Article 6, transparency, adaptation, response measures, and common time frames to the second week of the Glasgow Climate Change Conference.

COP

Matters Relating to Finance: Long-term climate finance:

Informal consultations were co-facilitated by Carlos Fuller (Belize), who pointed to several groups' written submissions and invited further textual proposals and discussion. Parties mandated the Co-Facilitators to prepare an informal note based on the submissions to inform further discussions.

Seventh review of the Financial Mechanism: Informal consultations were co-facilitated by Eva Schreuder (the Netherlands) and Daniela Veas (Chile), who invited views on a draft text. Some countries suggested emulating the approach taken with a draft decision considered by the SBI on the Adaptation Fund review, and suggested clarifying the roles of the COP and CMA in the overarching cover decisions and removing references to specific provisions of the Convention and Paris Agreement in the annexed guidelines.

One proponent indicated that the CMA could take a decision based on the review if it so wanted, noting that the COP ultimately oversees the legal arrangements related to the operating entities of the Financial Mechanism. Several countries signaled openness, requesting more time to engage with the suggestion.

A developing country group cautioned that language on the review informing the replenishment processes of the operating entities should reflect the COP's memoranda of understanding with the entities, noting that some criteria are specific to the Global Environment Facility (GEF), such as country allocation and co-financing. Other comments related to, among others, deleting references to "long-term" objectives, and clarifying relevant reports on private-sector financing in the list of sources of information. The Co-Facilitators invited written submissions and will prepare a new iteration of draft decision text.

CMA

Matters Relating to Finance: New collective quantified goal on climate finance: In informal consultations, Co-Facilitator Outi Honkatukia (Finland) invited parties to express general views on a draft text prepared by the Co-Facilitators.

Many developed countries characterized the text as long and duplicative, emphasizing that the CMA decision should not prejudice the decision to be made in 2024. A group indicated that the process should not create any new body. One developed country said parties need to define providers, receivers, and the "financial structure" of the new goal. Several developing countries opposed, noting that these issues are clearly defined in the Paris Agreement.

A developing country group indicated that only having workshops is not inclusive nor sufficient, and called for a working group to make sure a new goal can be set and implemented, and its progress tracked. Another developing country party expressed "distress" at developed countries' comments, noting that the deliberation should focus on how to set up a new goal to support the transition to net zero. Many developing countries and groups also noted that since the mandate under this agenda item is to begin the deliberation on a new goal, the decision needs to create pathways toward an ambitious new goal.

The Co-Facilitators will provide the second iteration of the draft text and informal consultations will resume on Monday, 8 November.

Compilation and synthesis of, and summary report on the in-session workshop on, biennial communications of information related to Article 9.5 of the Paris Agreement (ex ante finance transparency): In informal consultations, co-facilitated by Georg Børsting (Norway), parties exchanged initial views on a draft CMA decision. Many noted the need for further time to consider the text, but agreed that it was a useful starting point.

One developing country group said that the communications did not provide sufficient content to ensure predictability as called for in Article 9.5. Other developing countries noted that the in-session workshop report highlighted questions, including the scale and quality of finance and capacity building for Least Developed Countries (LDCs) and small island developing states (SIDS). With other developing country groups, they stressed the need to provide detailed guidance for future communications.

Developed countries said several paragraphs included elements beyond the mandate of this agenda item, particularly a request to provide information in addition to what was agreed at CMA 1-3 (2018). One developed country stated that a review of the types of information to be included in the communications is scheduled for 2023, and asked for the entire text to be bracketed, to give parties the confidence to engage on the substance. Informal consultations will continue.

COP/CMA

Matters Relating to Finance: Matters relating to

the Standing Committee on Finance (SCF): In informal consultations, Co-Facilitators Gard Lindseth (Norway) and Richard Muyungi (Tanzania) said they had received five written submissions from parties after the last consultations, and invited parties to express their views.

A developed country suggested the draft decision recognize the work completed by the SCF.

A developing country group noted several key issues raised by the SCF report, including that, *inter alia*: only 21% of bilateral climate finance has been for adaptation; climate finance must be new and additional; the current level of climate finance is insufficient; and more funding is needed to support NDC implementation.

Muyungi sought parties' mandate to develop a draft decision. One group, supported by several developing countries and groups, opposed, expressing concern that some parties were unwilling to discuss compliance with the Convention and recent COP and CMA decisions related to the operating entities of the Financial Mechanism. Muyungi indicated this issue had been raised with the COP Presidency. Despite dissatisfaction, parties agreed to mandate the Co-Facilitators to develop a draft decision.

Report of, and Guidance to, the Green Climate Fund (GCF): In informal consultations, Co-Chair Toru Sugio (Japan) introduced draft decision text, which parties welcomed as a basis for further discussion. Many indicated the need for further streamlining, noting duplicative language.

Parties highlighted their red lines in the text. For several groups and parties, these included paragraphs that would create new funding windows, envelopes, or requests for proposals, such as the establishment of a small grant facility. Some urged avoiding micromanaging the GCF Board.

One group queried the inclusion of loss and damage, noting the Fund is currently struggling to provide resources to match demand. Two developing country groups called for stronger language on loss and damage.

A developing country group called to delete many paragraphs, stressing the need to avoid pre-empting the GCF Board's workplan, and to avoid mandating the COP to carry out activities for which it does not have authority. Another group said the COP has a mandate to give guidance to the GCF.

Particular areas of disagreement related to references to the long-term temperature goal of the Paris Agreement, and women and gender balance on the GCF Board.

Delegates also indicated elements not reflected in the text that they would like to be included in a future iteration. For example, one developing country group requested a specific reference to supporting national adaptation plan (NAP) readiness.

Sugio said the Co-Facilitators will prepare the next iteration of the draft text, based on parties' views.

Report of, and Guidance to, the GEF: In informal consultations, Co-Chair Toru Sugio (Japan) introduced draft decision text, which parties welcomed as a basis for further discussion.

Two developed country parties called to delete a paragraph on increasing grants to middle- and upper-income countries, saying it prejudices the GEF replenishment process. One opposed a new line of support to loss and damage in the context of the LDC Fund (LDCF), saying loss and damage is part of adaptation.

One group called to delete a paragraph relating to improving access or creating a new window, stating that so far, all funding requests made have been approved.

A developing country group stressed the GEF will primarily receive contributions from developed country parties, and those developing country parties who do so voluntarily do not need to be encouraged. A developing country stressed common but differentiated responsibilities and respective capabilities. Another said Annex I countries should contribute to the LDCF and the Special Climate Change Fund.

A developing country group highlighted the need for: dedicated seats for SIDS at the GEF Council; more resourcing for capacity-building needs for transparency; opening the GEF Partnership to ensure access for SIDS; and alterations to the co-financing ratios. Another stressed the importance of loss and damage and capacity building.

Sugio said the Co-Facilitators will prepare the next iteration of the draft text, based on parties' views.

SBSTA

Organizational matters: Election of officers other than the Chair: The SBSTA elected Kakhaveri Mdivani (Georgia) as Vice-Chair, and Zita Kassa Wilks (Gabon) as Rapporteur.

Nairobi Work Programme: The SBSTA adopted conclusions (FCCC/SBSTA/2021/L.10).

Report of the Adaptation Committee (2019, 2020, 2021): The SBSTA adopted conclusions (FCCC/SB/2021/L.2). In

its conclusions, the SBSTA, *inter alia*, agrees to forward consideration of these matters to the COP and CMA.

Warsaw International Mechanism on loss and damage (WIM): The SBSTA adopted conclusions (FCCC/SBSTA/2021/L.6) and recommended a draft decision contained in the same document to the appropriate body or bodies, pending consultations by the Presidency under the COP and CMA.

Local Communities and Indigenous Peoples Platform (LCIPP): The SBSTA adopted conclusions (FCCC/SBSTA/2021/L.3), which contain a draft COP decision.

Development and transfer of technologies: Joint annual report of the Technology Executive Committee and the Climate Technology Centre and Network (for 2020 and 2021): The SBSTA adopted conclusions (FCCC/SB/2021/L.4 and L.5), which include a draft COP and CMA decision, respectively.

Koronivia Joint Work on Agriculture: The SBSTA adopted conclusions (FCCC/SB/2021/L.1), in which it *inter alia* agrees to continue consideration of this matter at SB 56 (June 2022).

Source of Input for the Global Stocktake: The SBSTA adopted conclusions (FCCC/SBSTA/2021/L.4).

Matters Related to Science and Review: Research and systematic observation: The SBSTA adopted conclusions (FCCC/SBSTA/2021/L.5).

Second Periodic Review of the Long-term Global Goal Under the Convention and of Overall Progress Toward Achieving it: The SBSTA adopted conclusions (FCCC/SB/2021/L.3).

Response Measures: The SBSTA Chair informed parties that no agreement had been reached, and he would report this accordingly to the Presidency.

Methodological Issues Related to the Paris Agreement: Contact group discussions were co-facilitated by Helen Plume (New Zealand) and Xiang Gao (China), who invited views on draft text. With several developed countries calling for requests for the GEF to support developing countries' reporting to be addressed in the relevant decision on COP guidance to the GEF, the US proposed to insert a cross-reference for the CMA to take note of the COP guidance decision.

Delegates also debated: how and where to capture flexibility provisions, with several countries preferring that this be done in the annexes; and whether the use of background tables should be mandatory. Other comments related to, among others: referencing the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories; the timeline for the development and interoperability of the software; reporting on loss and damage; the voluntary review of adaptation information; and capturing both unconditional and conditional targets in tracking NDC progress. Many delegates underscored the need for more technical work on the annexes, and several developing country groups stressed the importance of support for reporting. The Co-Facilitators prepared a new iteration for consideration by the SBSTA plenary.

In the closing plenary, the SBSTA adopted conclusions (FCCC/SBSTA/2021/L.9). In its conclusions, the SBSTA, *inter alia*, agrees to forward consideration of these matters to the CMA. The SBSTA Chair noted the highly technical matter of this item, with some issues that may require political resolution, and said he would raise the matter with the Presidency on the way forward.

Matters Relating to Article 6: In informal consultations, co-facilitated by SBSTA Chair Tosi Mpanu Mpanu, delegates welcomed the Co-Facilitators' third iteration of draft texts as a basis for further discussions. Various suggestions were made in relation to, *inter alia*, human rights and non-GHG metrics. The Co-Facilitators informed that they would incorporate the suggestions into the texts before they are forwarded to the CMA.

In a contact group, Mpanu Mpanu introduced draft procedural conclusions, under which the SBSTA would agree to forward the draft decision text to the CMA, recognizing that this text does not represent a consensus among parties and that further work by the CMA is necessary to finalize the decision. Parties agreed to forward the procedural conclusions to the SBSTA plenary.

In the closing plenary, the SBSTA adopted draft conclusions (FCCC/SBSTA/2021/L.6, L.7, and L.8), which contain paragraphs indicating that the draft decision texts are forwarded for the

CMA's consideration, recognizing that the text does not represent a consensus among parties and that further work by the CMA is necessary to finalize the decisions. The SBSTA Chair noted that while parties had engaged constructively and tirelessly to address many issues, others remained unresolved, and the latter issues would be brought to the attention of the Presidency.

Cooperation with Other International Organizations: The SBSTA adopted conclusions (FCCC/SBSTA/2021/L.2).

Closing Statements: Australia, for the UMBRELLA GROUP, welcomed constructive engagement on the enhanced transparency framework, but expressed concern around proposals, which it characterized as "backslides" from the progress made since COP 24. She also welcomed efforts made on, *inter alia*, the Nairobi Work Programme.

Switzerland, for the EIG, indicated that the negotiations on transparency and Article 6 would benefit from further technical work at COP 26, while some outstanding issues can be solved in more political processes.

The EU expressed its gratitude to the scientific communities, especially the IPCC. He underscored progress made on the WIM, which he said shows promising steps forward on several functions of the Santiago Network on loss and damage.

Bhutan, for the LDCs, highlighted the importance of: ensuring finance for loss and damage; providing a share of proceeds for the Adaptation Fund; and securing adequate and timely resources for developing countries to maintain their reporting capacity on a permanent basis.

Antigua and Barbuda, for AOSIS, underscored the need to set a discount rate for the overall mitigation of global emissions (OMGE) at the highest possible level, as well as the share of proceeds. On transparency, she said transparency of action and of support are falling.

Peru, for AILAC, stressed that there is room for improvement on Article 6 on the areas that could undermine environmental integrity or allow double counting.

BUSINESS AND INDUSTRY NGOs called on parties to complete the Article 6 negotiations and expressed disappointment that parties could not reach agreement to further tighten linkages between the Technology Mechanism and the Financial Mechanism.

CLIMATE ACTION NETWORK urged parties to set ambitious rules on Article 6 including no carry-over of Kyoto Protocol units and strong human rights safeguards, and called for finance for loss and damage to be included in the post-2025 goal on climate finance. He expressed strong concern on the lack of inclusivity in this COP due to non-COVID related issues.

GLOBAL CAMPAIGN TO DEMAND CLIMATE JUSTICE said that the global climate movement cannot be fooled by false solutions like carbon markets and empty promises like net zero pledges, calling for more visionary thinking about cooperation between countries.

INDIGENOUS PEOPLES welcomed the forwarding of the LCIPP's draft workplan for approval, while expressing concern about deficiencies in the Article 6.4 (mechanism) text in relation to free, prior, and informed consent.

WOMEN AND GENDER called for an independent grievance mechanism in relation to Article 6, and urged parties to ensure that the technology mechanism is rights-based and inclusive.

Closure of the SBSTA: Parties adopted the draft report of SBSTA 52-55 (FCCC/SBSTA/2021/L.1). Mpanu Mpanu closed the meeting at 12:19 am on Sunday, 7 November.

SBI

Organizational Matters: Election of officers other than the Chair: The SBI elected Juan Carlos Monterrey Gómez (Panama) as the SBI Vice-Chair and re-elected Aysin Turpanci (Turkey) as the SBI Rapporteur.

Reporting from and review of Non-annex I Parties: Report (for 2020 and 2021) and terms of reference of the Consultative Group of Experts (CGE): The SBI adopted conclusions (FCCC/SBI/2021/L.9). SBI Chair Karlsen noted that parties were unable to conclude consideration of the review and revision of the terms of reference of the CGE, and the SBI agreed to forward the matter

to the COP Presidency, taking into account text prepared by the Co-Facilitators for this item.

Provision of financial and technical support: Karlsen reported that consultations on this sub-item did not result in conclusions. The matter will be included on the provisional agenda of SBI 56.

Common Time Frames: The SBI adopted conclusions (FCCC/SBI/2021/L.3). In conclusions, the SBI, *inter alia*, agrees to forward the outcome of its work for consideration by CMA 3.

Second Periodic Review of the Long-Term Global Goal and of Overall Progress in Achieving it: The SBI adopted conclusions (FCCC/SB/2021/L.3).

Koronivia Joint Work on Agriculture: The SBI adopted conclusions (FCCC/SB/2021/L.1).

Report of the Adaptation Committee (2019, 2020, 2021): The SBI adopted conclusions (FCCC/SB/2021/L.2). In its conclusions, the SBI, *inter alia*, agrees to forward consideration of these matters to COP 26 and CMA 3.

WIM: The SBI adopted conclusions (FCCC/SB/2021/L.6) and agreed to recommend a draft decision to the appropriate governing body or bodies for their consideration, pending the outcome of the Presidency's consultations under the COP or CMA.

Matters Relating to the LDCs: The SBI adopted conclusions and agreed to recommend a draft decision to the COP (FCCC/SBI/2021/L.12 and Add.1).

NAPs: The SBI adopted conclusions and agreed to recommend a draft decision to the COP (FCCC/SBI/2021/L.11 and Add.1).

Development and Transfer of Technologies and Implementation of the Technology Mechanism: Joint annual report of the TEC and the CTCN: The SBSTA adopted conclusions (FCCC/SB/2021/L.4 and L.5), which include a draft COP and CMA decision, respectively.

Alignment between the processes pertaining to the review of the CTCN and the periodic review: The SBI adopted conclusions (FCCC/SBI/2021/L.2) that include a draft decision for the CMA's consideration.

Linkages between the Technology Mechanism and the Financial Mechanism: The SBI adopted conclusions (FCCC/SBI/2021/L.10).

Matters Relating to the Adaptation Fund: Membership of the Adaptation Fund Board: Karlsen informed that she had consulted with interested parties and, in the absence of agreement on a way forward, she would report accordingly to the Presidency.

Fourth review of the Adaptation Fund: Informal consultations were co-facilitated by Ali Waqas Malik (Pakistan). Waqas Malik presented draft text prepared based on informal informals, pointing, among others, to the addition of a paragraph inviting CMA 4 to consider the outcomes of the review. Delegates considered the draft CMP decision and annexed Terms of Reference for the review on a paragraph-by-paragraph basis.

In the decision, they agreed to note decision 1/CMP.14 which, *inter alia*, ensures that Paris Agreement parties are eligible for membership in the Adaptation Fund. Regarding the scope of the review, they agreed to delete the word "eligible" from a reference to support for eligible developing country parties.

With these changes, delegates agreed to forward the draft conclusions for adoption in the SBI closing plenary.

During the closing plenary, the SBI adopted conclusions (FCCC/SBI/2021/L.19), which include a draft decision for the CMP's consideration.

Matters Relating to Capacity Building: Capacity building under the Convention: The SBI adopted conclusions (FCCC/SBI/2021/L.6) that include a draft decision for the COP's consideration.

Capacity building under the Kyoto Protocol: The SBI adopted conclusions (FCCC/SBI/2021/L.7 and L.8) that both contain a draft decision for the CMP's consideration.

Annual technical progress report on the Paris Committee for Capacity-building: The SBI adopted conclusions (FCCC/SBI/2021/L.4 and L.5), which include draft decisions for the CMA's and COP's consideration, respectively.

Response Measures: Karlsen informed parties that no agreement had been reached, and she would report this accordingly to the Presidency.

Gender: The SBI adopted conclusions (FCCC/SBI/2021/L.13).

Action for Climate Empowerment (ACE): Review of the Doha Work Programme on Article 6 of the Convention: The SBI adopted conclusions (FCCC/SBI/2021/L.18), which contain draft decisions for the COP and CMA.

Mexico, for the EIG, supported by the EU, ARGENTINA, COSTA RICA, and nine others expressed deep concern about the removal of references to human rights, Indigenous Peoples' rights, gender responsiveness, and intergenerational equity from the 10-year-long Glasgow Work Programme on ACE, noting this outcome resulted from a late-night session with very few parties and no observers allowed to provide support. She called on parties to fully engage in the development of the action plan to guarantee respect for human rights, gender responsiveness, and intergenerational equity.

The EU expressed regret that, under strong pressure, parties were not allowed to include these references in the decision and sought further discussion on this at the next session. VENEZUELA underscored, in response to others' concerns, that "unilateral coercive measures" adversely impact the full enjoyment of human rights, particularly of vulnerable groups, and affect their capacity to fight climate change.

Arrangements for Intergovernmental Meetings: The SBI adopted conclusions (FCCC/SBI/2021/L.17).

Administrative, Financial and Institutional Matters: Budget performance for the bienniums 2018–2019 and 2020–2021; Audit report and financial statements; and Other financial and budgetary matters: The SBI considered these three agenda sub-items together and adopted conclusions (FCCC/SBI/2021/L.15 and L.16), which include draft decisions for the COP and CMP, respectively.

Programme budget for the biennium 2022–2023:

Switzerland, for the EIG, expressed disappointment with last-minute changes in the draft decision, calling it a closed and non-inclusive process. He stressed the need for inclusive engagement if parties are to achieve a robust outcome in Glasgow. Bangladesh, for the G-77/CHINA, expressed similar disappointment, saying he agreed for the sake of compromise, and asking that, in the future, all parties' concerns be reflected.

Karlsen noted that, at the end of the last contact group meeting, its Co-Chair Kishan Kumarsingh (Trinidad and Tobago) informed parties he would report back to the SBI Chair on the outcome of work. Karlsen read out her bridging proposal, contained in paragraph two of the draft decision that requests the Secretariat to seek to allocate adequate resources to the constituted bodies in support of their mandates given by the governing bodies and to transparency- and adaptation-related activities, while continuing to apply the established budget methodology, including to any new mandate.

The SBI adopted conclusions (FCCC/SBI/2021/L.14), including three addenda that contain draft decisions for the consideration of the COP (Add.1) and the CMP (Add.2 and Add.3).

Closing Statements: Some groups informed they would deliver their statements in the stocktaking plenary on Monday, 8 November.

TURKEY lamented "constant references to Annex I," stating the country would only accept language agreed in Paris.

Bhutan, for the LDCs, welcomed the extension of the mandate of the LDC Expert Group, the Santiago Network guidelines, and efforts on the review of the Adaptation Fund, but said progress on NAPs had been inadequate. He expressed concern that medium- and long-term finance for loss and damage remains an ignored issue.

Switzerland, for the EIG, thanked parties for the work accomplished in the first week, but said more could have been done on adaptation and loss and damage, and reiterated his disappointment on elements of the ACE decision. He expressed hope that parties could move into the second week in a positive spirit.

Antigua and Barbuda, for AOSIS, expressed disappointment with the lack of more substantive conclusions on the periodic review, suggesting "the room was held somewhat hostage,"

stressing the importance of science and review, and thanking the IPCC for its outstanding work.

Bangladesh, for the G-77/CHINA, said parties had worked relentlessly despite the special circumstances under which the conference was taking place, but suggested the negotiations' dynamics could have been more participatory. He lamented that many items were unable to conclude and called for higher ambition in line with the Paris Agreement.

Stating that "climate change is everyone's business," BUSINESS AND INDUSTRY NGOs highlighted that a commitment by 450 firms managing USD 150 trillion in assets sends a message that "resources are there," but rules and mechanisms to implement them effectively are missing.

CLIMATE ACTION NETWORK called for provision of needs-based loss and damage finance and its inclusion in the post-2025 finance target. She lamented access constraints observers had faced and called on parties not to treat human rights as a bargaining chip in the remaining negotiations.

Saying 150,000 people marched the streets today, GLOBAL CAMPAIGN TO DEMAND CLIMATE JUSTICE called for adequate time for negotiations on adaptation and loss and damage, and said a global goal on adaptation is essential because countries in the South have no choice but to adapt.

WOMEN and GENDER said the review of the Doha Work Programme missed an opportunity to promote gender-based approaches and constitutes a bad precedent for transformative action on the ground.

YOUTH NGOs welcomed the inclusion of youth in the Glasgow Work Programme on ACE but said it is still insufficient. She called for a seat for youth at the decision-making table and policies and actions to be implemented, saying the youth's wellbeing is a right, not a privilege.

Closure of the SBI: Parties adopted the draft report of SBI 52-55 (FCCC/SBI/2021/L.1). Karlsen closed the meeting at 12:07 am on Sunday, 7 November.

In the Corridors

Both rain and sun accompanied civil society activists as they marched through Glasgow to mark the Global Day of Action. The organizers put the estimate of participants at more than 250,000. Meanwhile, at the Scottish Event Campus, negotiators huddled in meeting rooms to finish up work under the subsidiary bodies and advance important items under the governing bodies, including finance, transparency and Article 6. Finance discussions continued throughout the day. One delegate predicted the coming week would be hectic, especially on the finance front. The text on the new collective quantified climate finance goal is long, "essentially a wish list," another said, and shows how far apart developed and developing countries are on this issue. On Article 6, negotiators seemed more optimistic, believing that a decision will ultimately be reached, with one saying everyone is now much more familiar with all the "technical nitty gritty" than in either Katowice in 2018 or Madrid in 2019.

Many turned their mind to issues slated for ministerial guidance in the second week. As the day progressed, the list became apparent: finance, Article 6, transparency issues, and common NDC time frames under the Paris Agreement, and also, the global goal on adaptation, and response measures. Waiting for the last few issues to come to the reconvened plenary, a weary delegate wondered at the last hour, saying "we always knew it would be these issues. Why the wait?"

Several also speculated on the dynamics of the week ahead. Transparency negotiators were eager to ensure they would still have time for technical work and appeared reluctant to send the text off to ministers just yet. Article 6 negotiators also appeared keen to continue in technical mode and give the whittled-down options to ministers near the end. Some said ministerial facilitators nominated by the Presidency might prove useful through the week for shuttling between delegations. The stage is indeed now set. The subsidiary bodies have done all they can and next week work hands off to a new troupe: the ministers required to make difficult political decisions.