

COP 27 Highlights: Friday, 11 November 2022

With the end of the first week of the Sharm El-Sheikh Climate Change Conference nearing, co-facilitators across many negotiation rooms reminded delegates of the need to conclude consideration of the items set to be forwarded to the closing plenaries of the Subsidiary Bodies (SBs), scheduled for the next day.

COP/CMA

Guidance to the Green Climate Fund; Guidance to the Global Environment Facility: In informal consultations, Co-Facilitators Toru Sugio (Japan) and Richard Muyungi (Tanzania) invited parties to reflect on a compilation of submissions received from parties on guidance to the Green Climate Fund (GCF), starting with guidance from the COP. Sugio explained that a compilation of submissions on guidance for the Global Environment Facility (GEF) was being prepared. Many countries noted they had not yet received the GCF compilation, while others noted it had 125 paragraphs and was convoluted. Agreeing with the assessment, Sugio explained that parties had not yet provided the co-facilitators a mandate to prepare draft text. All parties agreed to mandate the co-facilitators to streamline the text, making specific suggestions on how to do this and highlighting their priority issues and “red lines.”

On suggestions for streamlining, parties requested removing: duplication; repetition in areas where guidance already exists; and elements contradicting the GCF Governing Instrument. A developing country group pointed out that parties’ understanding of what constitutes a contradiction with the Governing Instrument varies, with a developed country suggesting the co-facilitators focus on paragraphs most likely to achieve consensus.

On priorities and red lines, many developed countries called for keeping the guidance at a high, strategic level and avoiding micromanaging the GCF Board, including on issues already decided or under consideration, or preempting the quantity of the second GCF replenishment. Countries called for inclusion of, *inter alia*, gender considerations, access policies, complementarity with other institutions, and REDD+. One developing country group cautioned against including guidance that reinterprets the UNFCCC or its principles. A developing country opposed language on just transitions. Several developed countries called for GCF-related elements discussed under other items, including loss and damage and national adaptation plans, to be centralized under this item.

On a compilation of submissions for CMA guidance, parties provided the co-facilitators a similar streamlining mandate. They disagreed on whether and how to include guidance relating

to Paris Agreement Article 2.1(c) (on consistency of finance flows). Muyungi explained that compilations of GEF guidance submissions would be available on Saturday morning, 12 November, and the co-facilitators would endeavor to provide draft text for both entities by the end of the first week.

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-Facilitator Julio Cordano (Chile) noted that parties had made important progress in sharing general expectations, and invited a focus on: elements for the outcome from COP 27/CMA 4; timeline for work through 2024; potential work under the SBs; and the role of the Glasgow Dialogue on loss and damage.

On elements for the outcome, developing countries listed, *inter alia*: acknowledgement of the gap between needs and support; new, additional, and adequate financing; and creating an operational entity and “a series of conversations to develop the details of this entity.”

On the timeline and work for the SBs, a developed country suggested mandating the SBI to implement the work programme under this item and report on its progress, and that a decision be taken at the COP/CMA in 2024. Another developed country suggested mandating SB discussions on this item.

On the role of the Glasgow Dialogue, developed countries made various suggestions, including: considering the current loss and damage support landscape, including how relevant institutions can provide support, coordinating these actors, and identifying gaps and ways to address these gaps; and mapping potential sources of funding. They proposed technical papers, further workshops, national and regional meetings, ministerial roundtables, submissions, inputs from initiatives being established in and outside the UNFCCC, and special and annual reports to the COP/CMA. One developed country said that form should follow function, calling for “time to get it right” while recognizing the urgency of the matter.

Developing countries observed that developed countries’ proposals seemed to contradict the sense of urgency they proclaimed, noting that discussions have been ongoing for more than a decade and calling for a political decision to create a fund for loss and damage.

Informal consultations will continue on Saturday, 12 November.

CMP

Report of the Adaptation Fund Board: In informal consultations, co-facilitated by Diann Black-Layne (Antigua and Barbuda) and Eva Schreuder (Netherlands), parties diverged on whether to welcome and name parties that had made pledges,

regardless of whether they had signed contribution agreements, or welcome all announced pledges but note those still outstanding. Calling this an accountability issue, a developing country group, supported by others, preferred either the latter option or, as an alternative, simply omitting the names of parties with announced but outstanding pledges. They also exchanged views on whether to specify a preference for pledges to the Fund to be “multi-annual” and an invitation for voluntary contributions from non-party stakeholders. On text relating to opportunities for streamlining processes, a developed country proposed adding “project approval” to the scope. A developing country group opposed, noting accreditation and project approval processes are very different and including the latter would be inappropriate. The co-facilitators will circulate revised text.

SBI

Fourth Review of the Adaptation Fund: In informal consultations, Co-Facilitators Black-Layne and Schreuder described changes to the draft text compared to the previous iteration, including: adding, in a preambular paragraph, a reference to the importance of share of proceeds; and noting that the previous resource mobilization strategy is the first to refer to funding by subnational governments, the private sector, and charitable foundations.

Parties strongly diverged on the level of participation accorded to countries that are parties to the Paris Agreement but not the Kyoto Protocol in the decision-making discussions on this agenda item. The Secretariat’s legal advisor confirmed several developing country groups’ and countries’ interpretation that non-parties cannot participate in decision making and therefore cannot make interventions on CMP decision text to be forwarded to the SBI plenary unless the interventions are channeled through parties.

Parties also debated whether to: include references to Decision 1/CMA.3 paragraph 18, on doubling developed countries’ provision of climate finance for adaptation to developing countries; and note “with deep concern” the continued issues related to the sustainability, adequacy, and predictability of financial contributions to the Fund. On the upcoming fifth review of the Fund, after lengthy exchanges, parties agreed to request the SBI to report back to “its governing bodies” at COP 31 (2026) without specifying which bodies these are.

Other outstanding points could not be addressed and the co-facilitators noted they will forward the draft text incorporating agreed amendments to the SBI Chair.

Matters Relating to the Clean Development Mechanism

Registry: In informal consultations, co-facilitated by Kate Hancock (Australia) and Sonam Tashi (Bhutan), parties reviewed co-facilitators’ draft text on this item, issued on Wednesday, 9 November.

In addition to editorial suggestions, comments focused on two paragraphs. On a paragraph clarifying that only certified emission reductions (CERs) held in permanent holding accounts may be transferred to the Article 6.4 mechanism registry, one developing country group viewed that CERs from pending accounts should also be eligible. Parties agreed to delete this paragraph.

On a sub-paragraph on transfer requests requiring approval from the host party of the CER-generating activity, parties discussed whether host parties should “approve” or “inform,” which entity should play this role, and whether they should also approve the CERs’ use. Hancock proposed additional language to clarify the approving authority and CERs’ use toward nationally determined contributions (NDCs).

Noting a lack of consensus on this sub-paragraph, the co-facilitators informed parties they will prepare a new text iteration

to reflect consensus on other paragraphs and consult the SBI Chair on the way forward.

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: In informal consultations, co-facilitated by Tian Wang (China) and Helen Plume (New Zealand), parties considered draft conclusions, engaging in textual negotiations on a number of paragraphs.

A developing country group called for the SBI to urge the GEF to at least double the resources it provides for biennial transparency reports and provide no less than USD 1 million per country. Several developed countries pointed to lengthy negotiations on the GEF’s eight replenishment and noted the matter should be taken up in the negotiations on guidance to the GEF.

Several developed countries cautioned against preempting the outcome of the continued consideration of challenges that developing countries face in implementing the Enhanced Transparency Framework (ETF) at SBI 58 and opposed references to a long-term workplan. Parties converged on specifying this be done with a view to facilitating the development of sustainable institutional capacity of developing countries, particularly least developed countries and small island developing states, to meet their obligations under Paris Agreement Article 13 (on transparency).

Other amendments related to noting capacity gaps in establishing and enhancing reporting systems, and noting existing support provided through multilateral and bilateral channels.

The co-facilitators said they will forward the draft text incorporating agreed amendments to the SBI Chair.

SBSTA

Guidance on Cooperative Approaches Referred to in Article 6.2: Co-Facilitators Kuki Soejachmoen (Indonesia) and Peer Stiansen (Norway) introduced new draft text containing draft procedural SBSTA conclusions and a bracketed draft CMA decision containing guidance on the Article 6.2 cooperative approaches. Many parties noted they had not had the opportunity to consider the text and suggested holding informal informals on the draft CMA decision to try and achieve further convergence.

Discussions continued in informal informals.

Rules, Modalities, and Procedures for the Article 6.4 Mechanism: In informal consultations, Co-Facilitators Tashi and Hancock noted parties had completed a reading of sections of a co-facilitators’ draft text on: transition of Clean Development Mechanism activities; use of CERs towards first NDCs; and host party reporting. They invited comments on the remaining sections and the cover section of the decision.

On the operation of the mechanism registry, parties identified their positions, and made suggestions regarding the registry’s form and functions, transaction procedures, information functions, and interoperability with the Article 6.2 registry. Noting a divergence in views on the roles and functions of the two registries, including with regard to accounting, tracking, and nomenclature, several groups and parties stressed linkages to registry discussions under Article 6.2. Many proposed either waiting for clarity under Article 6.2 discussions or using flowcharts or other visual aids to map the relationships between different elements under discussion, in an informal setting. Parties also exchanged views on treatment and use of, and procedures for, non-authorized units.

On shares of proceeds for administrative expenses and adaptation, parties generally agreed with the text.

On delivering overall mitigation in global emissions (OMGE), parties expressed views on how to reorganize the section, with one developing country group stressing the need to clarify that

voluntary cancellation is additional, and not alternative, to mandatory cancellation. Some stressed there is no OMGE for non-authorized units or CERs. One developing country suggested deleting the section on the basis that the decision from Glasgow on this item already provides sufficient guidance.

On the cover section, parties suggested additional elements, including relating to the Secretariat's capacity-building programme, and made reservations regarding elements still to be added. One country called for bracketing the entire text, noting a similar level of progress was not taking place on all Article 6 items at this session.

The co-facilitators will produce a new iteration of the text and ask the SBSTA Chair for guidance on the next steps.

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) introduced new draft text containing draft SBSTA conclusions and a bracketed draft CMA decision on matters relating to the schedule for implementing the activities of the work programme under the framework for Article 6.8 non-market approaches (NMAs). They explained the draft CMA decision reflects possible convergence based on parties' comments, and that the draft SBSTA conclusions text: captures the work of the Glasgow Committee on NMAs, as well as the progress and outcomes of the work programme; and specifies that there is no consensus on the draft CMA decision.

Bolivia, for the LIKE-MINDED GROUP OF DEVELOPING COUNTRIES (LMDCs), noted that following informal informals the previous night, the group had submitted a proposal to the Secretariat and requested that this proposal be included in the draft CMA decision as a second option in addition to the text prepared by the Co-Chairs. Most parties opposed including this proposal on the grounds that they had not received or considered it. Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), noted the LMDC proposal can still be considered by parties without it being included in the draft text. The EU suggested mentioning in the draft conclusions that a party had submitted a proposal which is not reflected in the text. The LMDCs agreed that the SBSTA conclusions can reference their proposal. The contact group will reconvene on Saturday.

Reviews on a Voluntary Basis of Information Reported Pursuant to Decision 18/CMA.1, Annex, Chapter IV, and Training Courses Needed: In informal consultations, co-facilitated by Julia Gardiner (Australia), parties discussed outstanding issues in a draft decision text. They converged on deciding that the voluntary review also facilitates improvement of reporting by identifying, in consultation with the reporting party, areas of improvement and capacity-building needs related to reporting. On a request for the Secretariat to develop the training course for the reviewers, parties agreed to include references to Decision 5/CMA.3, paragraphs 33 and 34, related to timeframes for the development of training programmes and to geographical and gender balance among experts participating in the training.

They also agreed to undertake the review of the training course in the context of the review of the modalities, procedures, and guidelines for the ETF no later than 2028 and consider integrating into the training programme the outcomes from the Global Goal on Adaptation work programme. Parties removed remaining brackets around text related to the recognition of flexibility and to encouraging the provision of financial resources on a voluntary basis.

With these amendments, parties agreed to the draft SBSTA conclusions and draft CMA decision, which will be forwarded to the SBSTA plenary.

Emissions from fuel used for international aviation and maritime transport: In informal consultations, co-facilitated by Martin Cames (Germany) and Pacifica Achieng Ogola (Kenya), parties debated three options for draft conclusions. Options one and two take note of the submissions by the International Civil Aviation Organization and International Maritime Organization, thank the organizations for their clarifications, and invite them to continue reporting to the SBSTA. Option one also included an in-session workshop. Option three was no text.

Parties converged on option two and worked to ensure it was a procedural conclusion that would include further discussion of this issue at the next SBSTA session.

Subsidiary Bodies

Glasgow–Sharm El-Sheikh Work Programme on the Global Goal on Adaptation: Informal consultations, co-facilitated by Kishan Kumarsingh (Trinidad and Tobago), first heard comments on work in 2022 and on the 2023 work programme. Considering time, Kumarsingh noted some parties had submitted conference room papers (CRPs) but urged parties to engage on the co-facilitators' draft joint SB conclusions and elements for a draft CMA decision.

A developing country group, opposed by some developed countries, sought to include its entire CRP as a bracketed option for the draft CMA decision. Some parties shared views on the co-facilitators' drafts. On the draft CMA decision, parties commented on: an optional section entitled "Framework" capturing developing country groups' proposals; the timing, themes, and concept notes for the 2023 workshops; engagement of the Intergovernmental Panel on Climate Change; and inputs to the GST. Several developed countries reiterated their opposition to including a framework in the draft decision, citing insufficient time during this SB session to find agreement on such substantive text.

Informal informals convened in the evening.

Matters Relating to the Work programme for Urgently Scaling up Mitigation Ambition and Implementation: Co-Facilitators Carlos Fuller (Belize) and Kay Harrison (New Zealand) invited parties to continue to comment on the draft text, following informal informals the previous night.

Parties provided their preferences on elements of the work programme, such as: length, organization, and frequency of workshops; submissions; selection of thematic areas; and outcomes.

One developing country group, supported by others, opposed attempts to create a new category of developing countries, such as "major emitters," pointing out that the work programme is under the Convention which has clearly set out and agreed principles. They stated that if the new iteration of text includes such reference, it would not engage further in discussions and would rather defer consideration of the agenda item under Rule 16 of the UNFCCC draft Rules of Procedure. In response to calls to base action on science, some countries suggested that action should be based on the science of historical emissions.

Several countries underlined that the text must maintain the nationally determined nature of countries' NDCs and must not facilitate introduction of new targets. Many developed countries opposed including a "principles" section and suggested alternatively simply referring to the Paris Agreement.

Several developing countries, opposed by developed countries, supported retaining reference to the need for a fair and equitable distribution of the remaining carbon budget in line with the principles of equity and common but differentiated responsibilities (CDBR), and calling for developed country parties to take the lead in implementing the work programme.

The co-facilitators urged parties to focus on technical, not political, issues.

Matters Relating to the Forum on the Impact of the Implementation of Response Measures: In informal consultations in the morning, Co-Facilitators Andrei Marcu (Papua New Guinea) and Daniel Waterschoot (EU) invited views on a draft decision text. Parties debated the mode of work, with developing countries urging discussing the workplan of the forum to inform its review and requesting additional time for discussions on the agenda item. Several developed countries suggested going through the draft decision and taking up paragraphs linked to the midterm review at the end, with one noting the review serves to assess progress to date, not add new activities. Some noted more time had already been allocated for this agenda item than for many others. Discussions continued in the afternoon.

Matters Related to the Global Stocktake: Contact group Co-Chairs Alison Campbell (UK) and Hana Al-Hashimi (United Arab Emirates) introduced draft conclusions and noted the objective to agree on a plan for 2023 to achieve the desired outcomes of the first GST. They urged parties to raise only red lines.

Responding to the G-77/CHINA, the Co-Chairs clarified that time zones would be considered in planning intersessional consultations in hybrid format, and developing countries could seek financial support to attend in person. Noting this clarification, Trinidad and Tobago, for ALLIANCE OF SMALL ISLAND STATES (AOSIS), supported the text.

CANADA, COLOMBIA, the EU, and Brazil, for ARGENTINA, BRAZIL, and URUGUAY (ABU), commented on two paragraphs, on: parties' submission of views on the approach to "the consideration of outputs" component of the first GST for consideration at SB 58; and the preparation of an information note and the holding of an intersessional consultation and intersessional in-person workshop, and their associated timelines. Considering diverging views, the Co-Chairs invited interested parties to a huddle.

The Co-Chairs indicated they will revise the text based on discussions held in the huddle and aim to identify a supplementary time slot to reconvene the contact group.

Matters Relating to the Santiago network under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM): In informal consultations, Co-Facilitators Lucas di Pietro (Argentina) and Cornelia Jäger (Austria) introduced new draft text, noting it contains two annexes: on the Terms of Reference of the Santiago Network; and the criteria to select the host of the Network's Secretariat. They invited comments on the draft.

Parties discussed the need for flexibility so countries can choose how they interact with the Network: through a national loss and damage contact point; UNFCCC national focal points; or another authority.

Parties underscored the need to enable direct access to technical assistance but disagreed on whether proposals for such assistance can only be submitted by contact points or by any organization, body, network, or expert. They further discussed the roles of the contact points, including as "information repeaters" to spread information about the Network and the technical assistance available.

Informal informals convened in the evening.

Mandated Event

Second Meeting of the Technical Dialogue of the First Global Stocktake under the Paris Agreement: The Co-Chairs of the technical dialogue of the first Global Stocktake (GST), Harald Winkler (South Africa) and Farhan Akhtar (US), moderated the closing plenary. Many delegates commended the format of

the technical dialogue, praising the world café setting and the active engagement with non-party stakeholders. Some parties, particularly developing countries, noted that holding multiple breakout sessions affected the ability of small delegations to participate effectively in the process.

Parties highlighted some of their key takeaways from the process. The EU welcomed efforts to start narrowing down opportunities to enhance mitigation implementation. Switzerland, for the EIG, outlined questions that need to be answered, including how to scale up practices and experiences for accelerated implementation, and how to make these effective in phasing down unabated coal and removing fossil fuel subsidies.

Trinidad and Tobago, for AOSIS, expressed concern that the technical dialogue's focus questions were too broad and that the resulting synthesis report may not produce the type of key messages desired. Saudi Arabia, for the LMDCs, underlined the importance of an equitable distribution of the carbon budget based on the total carbon budget. Algeria, for the ARAB GROUP, stressed a just and fair transition cannot be accomplished without maintaining political space for sustainable development, noting fossil fuel subsidy phasedown requires alternatives to be available.

NORWAY urged a systemic approach considering the entire value chain from production and planning to consumption, to create a seamless transition to low- or zero-emission societies. INDIA stressed that although science is not bound by political considerations of equity and CBDR, the GST is bound by, and must consider, these principles; and must therefore not make recommendations based on inequitable pathways.

RESEARCH AND INDEPENDENT NON-GOVERNMENTAL ORGANIZATIONS (RINGOs) highlighted the process must be informed by the best available science, including Indigenous, traditional and local knowledge. TRADE UNION NON-GOVERNMENTAL ORGANIZATIONS (TUNGOs) underlined the GST must consider if the NDC approach is delivering the desired goals. WOMEN AND GENDER lamented the "hying" of private sector engagement and called for a focus on the responsibility of the public sector.

In the Corridors

Amidst the constant buzz of air conditioners and airplanes flying over the Sharm El-Sheikh Climate Change Conference venue, there was also a productive hum as negotiators sought to agree on as many conclusions and draft decisions as possible in time for the SB closing plenaries the following evening. As the day went by and co-facilitators' pleas for compromise were left unheeded, late night sessions mushroomed on the schedule.

Despite good progress on many items, views were somewhat divided on whether slower progress on others was due to the technical complexity, political sensitivity, or perhaps insufficient negotiating time given to issues. "For some issues it seems to be a matter of principle to drag things out" commented a seasoned observer. For others it might have helped to give co-facilitators a bolder mandate to streamline text.

In the background, delegations with pet issues in need of a home were getting ready to haggle over the cover decision. "It seems cover decisions are here to stay, so we might as well use them strategically," reflected a delegate. "Whatever happened to the Presidency consultations on the proposed agenda items that did not make it to the agenda on day 1?" wondered another, noting it has been "awfully quiet."

The US, on the other hand, was a much less quiet presence. President Joe Biden and his security staff took over plenary and US negotiators proved "far too vocal" for the taste of some in the negotiations on the Adaptation Fund. "We should not let them just come and go as they please," stated an unamused delegate.