

COP 27 Highlights: Thursday, 17 November 2022

By the end of the penultimate day, it was clear much work remained. Ministerial consultations had yet to find landing zones, response measures and agriculture talks were ongoing, and the overarching cover decision negotiations continued. The COP, CMP, and CMA adopted the decisions on which parties had reached consensus.

Presidency Consultations

Overarching Cover Decisions: Through the afternoon, the Presidency held Heads of Delegation consultations, open to observers, focused on the overarching cover decisions. Wael Aboulmagd (COP Presidency) explained that the Presidency had issued a non-paper containing draft text for cover decisions based on parties' inputs. He noted the intention to hear parties' concise inputs on issues they wished to be either highlighted or removed and, based on these, produce a new draft text for Friday, 18 November.

Groups and parties expressed several concerns regarding the process, lamenting, *inter alia*, the little time remaining to reach consensus and the exclusion of various key issues.

On the structure of the 20-page non-paper, many groups and countries called for shortening it significantly, in addition to streamlining, improving coherence, and removing duplication in the text. Some proposed a focus on the "key pillars of this process," and others called for using the Glasgow Climate Pact's structure as a basis.

A large number of groups and parties also stressed the need to build a narrative that speaks to this "implementation COP," including by communicating how this is being delivered and not delivered and for the text to provide "a clear direction of travel" for the process. Many called for reaffirming the Glasgow Climate Pact and using it as a starting point, and not backtracking from its language but rather strengthening it. Many also stressed the need to use agreed terminology, and some developing country groups cautioned against reinterpreting the Paris Agreement.

Both developed and developing countries and groups described the text as unbalanced, but views differed on what would actually make it more balanced. Developing countries stressed the principles of the Convention and its Paris Agreement and called for an emphasis on finance and other means of implementation, including highlighting gaps, needs, loss and damage finance and a related fund or facility, adaptation finance, and fulfilling commitments. Some developed and developing countries and groups called for more emphasis on mitigation, including a

"follow-up" on nationally determined contributions (NDCs), long-term strategies, and transparency.

On substantive elements, parties also highlighted as important, among others: science, including the need to peak emissions in 2025; a roadmap to doubling adaptation finance; Paris Agreement Article 2.1(c) (on finance flows consistent with low-emissions and climate-resilient development); social dialogue; unilateral coercive measures; response measures; and the cryosphere and oceans. A developing country group underscored the importance of recognizing the role of forests in staying below 1.5°C.

Parties expressed reservations or objected to references to, *inter alia*: elements that prejudge outcomes of ongoing discussions or introduce elements parties have already rejected, including a just transition work programme or a Sharm El-Sheikh technology implementation work plan; selective references to findings of the Intergovernmental Panel on Climate Change (IPCC); other international organizations and processes; and specific sectors or sources of emissions.

Views explicitly diverged on: references to the 1.5°C goal and net-zero emissions by 2050; human rights; gender; multilateral development bank (MDB) reform; debt; diversity of sources of finance; phasing down fossil fuel subsidies or use; methane; REDD+ under Article 6.2 (cooperative approaches); nature-based solutions; energy and food crises; special needs and circumstances of Africa; and referring to "new" country categories, such as low-income countries.

Thanking parties for the wealth of views provided, Aboulmagd noted clear differences still existed in terms of various issues parties either strongly supported or objected to. He said the Presidency would prepare draft text "as soon as possible," that, as requested by parties, focuses on implementation and signals intent and political commitment, bearing in mind the differences in views. He urged parties to assist the Presidency in delivering a robust and meaningful text.

Stocktaking Plenary: In the evening, COP 27 President Sameh Shoukry convened a stocktaking plenary.

On the Global Goal on Adaptation (GGA), Co-Facilitator Aminath Shauna (Maldives) noted two key issues remained: on a proposed framework and how it should inform the 2023 work programme; and on IPCC inputs. She informed that, following bilaterals, the Co-Facilitators had produced a new iteration of text under their authority, which would be published for parties' consideration.

On finance, particularly the new collective quantified goal (NCQG), Co-Facilitators Bhupender Yadav (India) and Chris Bowen (Australia) noted they had prepared text that could provide

a structured approach to further the work of the *ad hoc* work programme for 2023 and enable a decision on the NCQG in 2024. They will meet with Heads of Delegation to hear parties' views.

On Article 6 (cooperative implementation) and related issues, Co-Facilitator Grace Fu (Singapore) said new drafts with reduced options had been produced. She said technical-level negotiations would continue in the evening and night to find agreement on the remaining issues.

On the mitigation work programme, Co-Facilitator Dan Jørgensen (Denmark) observed that it was clear parties' views remained divergent. He said the first round of consultations had resulted in the identification of possible landing zones: reassurance regarding mitigation ambition and the nationally determined nature of NDCs; a time frame until 2030; and a proposal for three decisions throughout the period which fit within the Global Stocktake cycle. Given the lack of agreement, the Co-Facilitators will circulate new drafts and consult on the entire text.

On finance for loss and damage, Co-Facilitators María Heloísa Rojas Corradi (Chile) and Jennifer Morgan (Germany) said they had produced draft text based on multiple bilateral consultations that would be made available shortly, and a meeting would be convened in the evening to hear parties' reflections on the text.

Mohamed Nasr (COP Presidency) provided updates on the technical negotiations and consultations undertaken by the Presidency. He said that work had concluded on several items. He said new draft text would be circulated on national adaptation plans, and that consultations continued on matters relating to the least developed countries (LDCs). He noted ongoing technical work on finance, including on guidance to the Green Climate Fund and Global Environment Facility, matters related to the Standing Committee on Finance, and long-term finance. He said work is continuing on matters relating to the Clean Development Mechanism (CDM), Joint Implementation, Koronivia Joint Work on Agriculture (KJWA), response measures, and gender. He highlighted that on the second periodic review of the long-term global goal, the Presidency had circulated a bridging proposal.

On presidency consultations, Nasr reported that streamlined cover decision text will be issued. He said views are divergent on the equitable geographical representation proposal by Georgia, the special needs and circumstances of Africa, and Article 2.1(c), among others.

UNFCCC Executive Secretary Simon Stiell called for building on all the work done before. Calling the conversation on finance for loss and damage long overdue, he said the outcome on this issue must be tangible, with clear timelines and milestones.

COP President Shoukry reported there would be another informal stocktaking on Friday, 18 November, followed by additional discussions with parties on the set of decisions to be resolved in a balanced manner. He said new cover decision text would be issued during the night.

The EU, supported by other developed countries, proposed to establish a response fund, under the CMA, for loss and damage for the most vulnerable countries, with a workplan to be agreed upon by the CMA and other efforts, including looking into debt and reforming MDBs. He also stressed as the "other side of the coin," an outcome on the mitigation work programme that would include, *inter alia*: a phase-down of all fossil fuels; annual reports on the phase-down of unabated coal and phase-out of inefficient fossil fuel subsidies; and a request to strengthen and revisit NDCs in 2023.

Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, clarified its understanding that "flexibility" on loss and damage finance is contingent on a strong outcome on mitigation and that contributions to a fund would come from a broadened donor base of public and private sources and all countries with a capacity to provide support.

Pakistan, for the G-77/CHINA, underscored there are still many divergent views and unanswered questions on loss and damage finance and the success of COP 27 rests on a strong outcome on this issue.

Ghana, for the CLIMATE VULNERABLE FORUM, urged: the creation of a loss and damage finance facility under the COP and CMA; clear commitments for loss and damage funding; and resources from developed countries and others in a position to provide support.

Colombia, for the INDEPENDENT ALLIANCE OF LATIN AMERICA AND THE CARIBBEAN (AILAC), called for text on the EU's proposal. She reported that the group had prepared text on debt relief which it viewed as crucial to helping create fiscal space for countries to undertake climate action.

Zambia, for the AFRICAN GROUP, said any package must include the GGA.

BOLIVIA, Saudi Arabia, for the ARAB GROUP, and CHINA underscored the need to respect the principles of the Convention and the Paris Agreement. BOLIVIA reported that developed countries were bracketing language on equity and common but differentiated responsibilities in various texts. CHINA said we need to implement the Paris Agreement, and not rewrite it, and underlined that finance flows from developed to developing countries.

Closing the stocktake, President Shoukry called on parties to redouble their efforts to reach greater convergence over the next day, expressing confidence in their ability to bridge remaining gaps.

COP/CMA

Response Measures: In the morning, SBSTA Chair Tosi Mpanu Mpanu facilitated informal consultations. He said he understood groups wished to work in an "informal informal" setting to develop a bridging proposal and asked delegates to report back in the afternoon. Delegates gathered for bilateral and small group meetings in an attempt to bridge gaps.

In the afternoon, the meeting reconvened. Parties reported that significant differences remained. Mpanu Mpanu suggested three alternatives. The first, he said, was to apply UNFCCC Rule 16 (forwarding the issue to the next COP). However, he warned that this was "a dangerous path because it can have a contagious effect." He said a second option would be to attempt a short procedural decision, while a third would be to have one last attempt to find a longer text that bridged the differences. He asked delegates to "untangle this so we can serve a lasagna to ministers, rather than a spaghetti bowl."

Parties agreed to work on less controversial paragraphs, setting aside text on activities related to the midterm review of the workplan of the forum, since that remained contested. They agreed on a number of paragraphs, including text welcoming the annual reports of the Katowice Committee of Experts on the Impacts of the implementation of Response Measures (KCI) and adopting recommendations from the forum, including lessons learned, best practices, tools and methodologies, and enhancing capacity.

However, a paragraph on a future workshop was bracketed, with developed countries opposing the text and developing countries supporting it. Consultations continued into the evening.

COP

Organizational Matters: Adoption of the report on credentials: In the closing plenary, chaired by COP 27 President Sameh Shoukry, the COP adopted the report on credentials (FCCC/CP/2022/9).

Adoption of the rules of procedure: President Shoukry informed that agreement had not been reached on this item and the COP would continue to apply the draft rules of procedure (FCCC/CP/1996/2), with the exception of draft rule 42 (voting).

Dates and venues of future sessions: Parties adopted a decision (FCCC/CP/2022/L.2), which included a date change for COP 28 (now taking place from 30 November to 12 December 2023). The UNITED ARAB EMIRATES expressed its determination to secure a strong outcome at COP 28, with: global solutions that leave no country behind; a new, ambitious deal on finance; a way forward on loss and damage and the GGA; and strong progress on mitigation.

Reports of the Subsidiary Bodies: SBSTA: The COP took note of the reports of SBSTA 56 (FCCC/SBSTA/2022/6) and SBSTA 57 (FCCC/SBSTA/2022/L.17). It also adopted decisions on implementation of the Global Climate Observing System (FCCC/SBSTA/2022/L.20/Add.1); revision of the UNFCCC reporting guidelines on annual inventories for Annex I parties (FCCC/SBSTA/2022/L.19) as orally amended in the SBSTA 57 closing; and common metrics (FCCC/SBSTA/2022/L.25/Add.1).

The COP also agreed to conclude the consideration of market and non-market mechanisms under the Convention.

Report of the SBI: The COP took note of the reports of SBI 56 (FCCC/SB/2022/10 and 10/Add.1) and SBI 57 (FCCC/SB/2022/L.17).

The COP also adopted decisions on: revision of the modalities and guidelines for international assessment and review (FCCC/SBI/2022/10/Add.1); and Action for Climate Empowerment (FCCC/SBI/2022/L.23) as orally amended in the SBI 57 closing plenary.

ARMENIA expressed concerns over equitable geographical representation, noting the Consultative Group of Experts (CGE) could not finalize its work on the rules of procedure and asserting discrimination that affected Georgia and others.

Antigua and Barbuda, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), supported by Colombia, for AILAC, expressed concern at how the loss and damage financing arrangement issue has been managed. Stating that many feel loss and damage is the “defining issue” for COP 27, she asked where a text was on this matter. President Shoukry said he believed there had been intensive consultation on this issue and the Co-Facilitators will report back in due course.

Reporting from Non-Annex I Parties: The COP adopted a decision (FCCC/SBI/2022/10/Add.1).

Technology Development and Transfer: Report of the TEC and CTCN: The COP adopted a decision (FCCC/SB/2022/L.12). President Shoukry noted that the election of the members of these two bodies will be taken up at the conclusion of the COP.

Linkages between the Technology Mechanism and the Financial Mechanism: The COP took note that the discussion will continue at SBI 58.

Capacity Building: Annual technical progress report of the Paris Committee on Capacity-building (PCCB) for 2022: The COP adopted a decision (FCCC/SBI/2022/L.19). President Shoukry informed that the election of the PCCB members would be taken up at the conclusion of the COP.

Koronivia Joint Work on Agriculture: In informal consultations, co-facilitated by Milagros Sandoval (Peru) and Ayman Amin (COP Presidency), Sandoval asked if the revised iteration of the draft decision text was acceptable to all.

A developing country said the term “mitigation” in the text on agriculture is a red line, calling it unfair for small farmers to take on the burden of mitigation. As a compromise, he proposed two additions: in a paragraph on the need for enhanced climate action on agriculture and food security, recognition “that such actions are context-specific and take into account national circumstances”; and in a paragraph on the four-year joint work, that developed countries should take the lead, and parties recognize that adaptation is an “overriding” priority for vulnerable groups. Some developed countries urged supporting the text as is.

After parties huddled to try breaking the impasse, bridging proposals were made, which were not accepted. Amin closed the meeting, saying the revised iteration introduced for this informal consultation would be forwarded to the COP Presidency.

Administrative, Financial and Institutional Matters: The COP adopted decisions on the audit report and financial statements for 2021 (FCCC/SBI/2022/10/Add.1) and budget performance for the biennium 2020–2021 (FCCC/SBI/L.17/Add.1). On a sub-item on decision making in the UNFCCC process, President Shoukry noted views remained divergent. The COP agreed to place this item on the provisional agenda of the next session.

CMA

Organizational Matters: Credentials: In the closing plenary, the CMA approved the report (FCCC/CMA/2022/9).

Reports of the Subsidiary Bodies: SBSTA: The CMA took note of the oral report by SBSTA Chair Mpanu Mpanu and the SBSTA 56 and 57 reports (FCCC/SBSTA/2022/L.17 and FCCC/SBSTA/2022/6).

SBI: The CMA took note of the oral report by SBI Chair Karlsen and the SBI 56 and 57 reports (FCCC/SBI/2022/10 and Add.1 and FCCC/SBI/2022/L.18). The CMA also adopted a decision on matters relating to Action for Climate Empowerment as orally amended in the SBI 57 closing plenary (FCCC/SBI/2022/L.23).

Reporting and Review Pursuant to Article 13 (Enhanced Transparency Framework: Provision of financial and technical support: The CMA took note of the SBI 57 conclusions on this item (FCCC/SBI/2022/L.25).

Options for conducting reviews on a voluntary basis of the information reported pursuant to chapter IV of the annex to decision 18/CMA.1 (information related to climate change impacts and adaptation), and respective training courses needed to facilitate these voluntary reviews: The CMA adopted a decision (FCCC/SBSTA/2022/L.18).

Development and Transfer of Technologies: Joint annual report of the TEC and CTCN: The CMA adopted a decision (FCCC/SB/2022/L.12).

First periodic assessment referred to in paragraph 69 of decision 1/CP.21: The CMA adopted a decision (FCCC/SBI/2022/L.27/Add.1).

Capacity-building: The CMA adopted a decision (FCCC/SBI/2022/L.20).

Report of the Implementation and Compliance Committee:

The CMA adopted a decision (FCCC/PA/CMA/2022/L.1). CMA President Shoukry informed that the election of the Committee's members would be conducted during the final CMA 4 closing plenary.

Administrative, Financial and Institutional Matters: Audit report and financial statements for 2021: The CMA endorsed a COP decision (FCCC/SBI/2022/L.17/Add.1).

Budget performance for the biennium 2020–2021: The CMA endorsed a COP decision (FCCC/SBI/2022/10/Add.1).

CMP

Organizational Matters: Credentials: In the closing plenary, the CMP approved the report (FCCC/KP/CMP/2022/8).

Reports of the Subsidiary Bodies: SBSTA: The CMP took note of the oral report by SBSTA Chair Mpanu Mpanu and the SBSTA 56 and 57 reports (FCCC/SBSTA/2022/L.17 and FCCC/SBSTA/2022/6).

SBI: The CMP took note of the oral report by SBI Chair Karlsten and the SBI 56 and 57 reports (FCCC/SBI/2022/10 and Add.1 and FCCC/SBI/2022/L.18). The SBI also took note of the report of the administrator of the international transaction log under the Kyoto Protocol (FCCC/KP/CMP/2022/5).

Reporting to and from Annex I Parties: Date of completion of the expert review process under Article 8 of the Kyoto Protocol for the second commitment period: The CMP adopted a decision (FCCC/SBI/2022/10/Add.1).

Matters Relating to the Clean Development Mechanism (CDM): In informal consultations, Co-Facilitators Alick Muvundika (Zambia) and Kazuhisa Koakutsu (Japan) urged bridging proposals.

On the issuance process for certified emission reductions (CERs) and voluntary cancellation process, countries agreed to delete the relevant paragraphs and include the issue in a request for further technical work from the Secretariat.

On continuation of methodology processes, countries agreed to delete these paragraphs and include the issues in a request to the Secretariat for further technical work. Parties debated the scope of the review or update of methodologies, with some developing countries suggesting that it should be limited to correcting inconsistencies and errors. Other countries, developed and developing, urged the inclusion of environmental integrity in the scope of the assessment.

Parties also agreed to delete a paragraph on the handover of accreditation procedures and request further technical work.

On temporary measures related to afforestation and reforestation, there was general agreement to request the Executive Board to explore and implement, as appropriate and as a priority, requests for registration, issuance, and renewal of these activities. This was agreed to expedite the process and avoid the need for a future CMP decision.

Parties agreed to delete the paragraph related to a voluntary cancellation process for post-2020 units.

On the transfer of CERs to the mechanism registry, there was an agreement to remove language related to use toward NDCs, but there was no agreement on whether written approval from the host party would be necessary after concerns were expressed about the number of written approvals that would be required.

Parties agreed to recall paragraph 22 of Decision 2/CMP.16 (on guidance to the CDM) requesting the SBI to review the status of the Trust Fund in place of a paragraph determining the amount to be transferred to the Adaptation Fund.

In a contact group in the afternoon, discussions continued on the bracketed text on transferring CERs to the mechanism registry. The debate concerned the role of the host country and whether confirmation would be necessary or if the absence of an objection could suffice. They agreed that the host country would be notified and, if no objection is received within a time frame to be determined by the Executive Board, the approval would be granted. With that and additional changes regarding temporary measures on afforestation and reforestation, the text was approved by the contact group.

Capacity-building: The CMP took note of the SBI 56 conclusions under this item (FCCC/SBI/2022/10).

Report of the Compliance Committee: The CMP adopted a decision (FCCC/KP/CMP/2022/L.1).

Report on the High-level Ministerial Round Table on Increased Ambition of Kyoto Protocol Commitments: President Shoukry informed that parties had not reached consensus on this matter, and it would be included on the provisional agenda for CMP 18.

Administrative, Financial and Institutional Matters: The CMP adopted decisions on budget performance for the biennium 2020–2021 (FCCC/SBI/2022/10/Add.1) and the audit report and financial statements for 2021 (FCCC/SBI/2022/L.17/Add.2).

In the Corridors

Solidarity summed up the penultimate day. At times, it was abundant. Activists came together in the Peoples' Plenary, standing together under the banner of climate justice: "There is one word they fear the most: solidarity." The crowd's cheers reverberated through the room for a youth activist who proclaimed, "We belong in the text, not in the preamble!"

Developing countries likewise stood together. The G-77/China, AOSIS, LDCs, and AILAC held an emergency press conference to tell the media of their deep frustration over the loss and damage finance negotiations. "At a minimum," they wanted the establishment of a finance facility from this meeting. To the world, they shared how climate change is already affecting their countries, with Minister Sherry Rehman from Pakistan opining that "vulnerability should not become a death sentence." In his own press conference, UN Secretary-General António Guterres called for a "Climate Solidarity Pact."

Other times, solidarity was notably absent. The "laundry list" for the overarching cover decisions grew considerably, and still, parties attempted to add in their issues and objected to the preferences of others. Technical-level talks on the NCQG added "brackets around paragraphs, around sentences, and within sentences" to at least 35 paragraphs, a finance negotiator glumly observed.

As the evening plenary became a nighttime informal stocktaking session, developed countries showed their own solidarity, with many supporting the EU's proposal to establish a loss and damage facility for the most vulnerable countries, paired with an outcome on the mitigation work programme. Others noted the need for a broad donor base for this facility. Some applauded, others noted additional and fundamental issues the proposal raised, and still others suggested their own crucial parts of the package. COP President Shoukry implored countries to remember the global community's expectations as he urged compromise.

The *Earth Negotiations Bulletin* summary and analysis of COP 27 will be available on Monday, 21 November 2022 at enb.iisd.org/sharm-el-sheikh-climate-change-conference-cop27