

COP 27 Highlights: Tuesday, 15 November 2022

While ministers gave high-level speeches that relayed their national priorities, negotiators worked to clear as much of the backlog of pending issues as possible. By the end of the day, numerous issues remained unresolved. Ministers will take up a shortlist of issues to bridge the remaining differences.

Presidency's Consultations

Cover Decisions: Heads of delegation met in a session open to observers, co-facilitated by Wael Aboulmagd and Mohamed Nasr (Egypt), who invited parties' comments on a non-paper on the cover decisions' elements.

Many called for a focus on implementation, expressing differing views on how to, as one phrased it, "infuse" implementation into the decision. For three developing country groups, equity and common but differentiated responsibilities (CBDR) were central, with one urging recognizing implementation gaps throughout. Several pointed to implementing all aspects of the Glasgow Climate Pact, including phasing down coal, reducing methane emissions, supporting just transitions, and providing adaptation finance. Several shared a preference for text on accountability on all aspects of the Glasgow Climate Pact in a balanced manner, while two groups preferred improving transparency and called for deleting the term accountability.

On 1.5°C, many supported its inclusion, with one group characterizing it as a "red line." Two groups preferred referring to the Paris Agreement temperature goal instead.

Additional ideas included: establishing a two-year work programme on the Technology Mechanism; ending the expansion of new fossil fuel production; phasing out, or phasing down, oil and gas extraction; establishing a loss and damage response fund; inviting the Intergovernmental Panel on Climate Change to prepare a special report on adaptation; requesting the Standing Committee on Finance to prepare a report on indebtedness due to climate change; and expressing disappointment at developed countries' failure to reach the USD 100 billion climate finance goal.

Among the topics suggested for removal were: multilateral development banks (MDBs); the private sector; nature-based solutions; organizations and initiatives outside the UNFCCC; and any new mandates that may renegotiate or reinterpret the Paris Agreement.

Many called for a more substantive written text. Consultations will continue.

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

delegates that while progress has been made, more work was needed to drive ambitious climate action. He noted that some issues required further technical work, which he hoped would be concluded by Wednesday, 16 November. However, other issues would require higher-level political engagement. He proposed ministerial consultations, as follows:

- Mitigation work programme, chaired by ministers Barbara Creesy (South Africa) and Dan Jørgensen (Denmark);
- Global Goal on Adaptation, chaired by Aminath Shauna (Maldives) and Teresa Ribera (Spain);
- Finance, particularly the new collective quantified goal (NCQG), chaired by Bhupender Yadav (India) and Chris Bowen (Australia);
- Article 6 and related issues, chaired by Grace Fu (Singapore) and Espen Barth Eide (Norway); and
- Finance for loss and damage, chaired by Maria Heloisa Rojas Corradi (Chile) and Jennifer Morgan (Germany).

President Shoukry indicated he would meet with all facilitators and continue to assess how to move forward.

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Matters Related to Finance: Long-term finance: Carlos Fuller (Belize) and Gertraud Wollansky (Austria) co-facilitated informal consultations, inviting general comments on a revised draft decision text. A developing country group said some paragraphs misinterpreted agreements already reached and that the document should also reflect the need for increasing ambition. He called for removing references to initiatives outside the UNFCCC process. Another developing country group said the text should better balance adaptation and mitigation, while another group sought more direct language on MDBs increasing the share of funding provided as grants.

A developed country described the draft as unbalanced, given inadequate reference to developed countries' efforts and progress to date. Another developed country called for streamlining duplicative text on the USD 100 billion commitment, while other developed countries urged streamlining and shortening the text generally.

Koronivia Joint Work on Agriculture (KJWA): In informal consultations, Co-Facilitator Monika Figaj (Poland) described changes in the new published text, reflecting submissions received after informal informals the previous evening. These included: revising the title to highlight the importance of implementation and action; splitting the request for parties' submissions into two on the work programme, and on operationalization of the online platform; and requesting the Subsidiary Bodies to report to COP 30. Figaj noted that bracketed options remained

around establishing either a three-year or open-ended joint work programme to implement the KJWA outcomes.

Several groups and parties thanked the Co-Facilitators for the revised text, describing it as a good basis for discussions. An observer reminded parties of the need to ensure food security, ecosystem integrity, biodiversity conservation, and sustainable land use. Informal informals convened in the afternoon.

Second Periodic Review of the Long-term Global Goal under the Convention (LTGG): In informal consultations, Co-Facilitator Andrew Ferrone (Luxembourg) sought parties' "maximum flexibility" to find convergence.

Discussions focused on a paragraph on equity, containing two heavily bracketed options on how to reflect the importance of equity in achieving the LTGG, one of which reflected Convention language. Views remained strongly divergent, including on a new third option supported by some developed countries, which noted "parties have different starting positions, face different circumstances, and have different opportunities to contribute to achieving the LTGG." Several developing countries opposed the third option, cautioning against redefining agreed Convention language relating to equity and CBDR. The Co-Facilitators will produce a new iteration of text.

CMA

Glasgow–Sharm El-Sheikh Work Programme on the Global Goal on Adaptation: In informal consultations, Co-Facilitator Mattias Frumerie (Sweden) requested parties to focus interventions on technical elements, including modalities, timelines and submissions for the 2023 work programme. Some developing country groups underscored that discussing the framework first is crucial, to inform the modalities discussion. A developed country proposed a compromise between a framework and a structured approach and using the 2023 workshops to accommodate both: for the first two, a structured approach to complete the work programme and consider inputs for the GST; and for the last two, to consider the need for a framework for future work.

On modalities, parties converged on holding the 2023 workshops in person with the option for virtual participation, which developing country groups underscored should enable full and active participation. Informal consultations continued late into the night.

Santiago Network of the Warsaw International Mechanism: In informal consultations, co-facilitated by Cornelia Jäger (Austria) and Lucas di Pietro (Argentina), a report back from informal informals noted good progress on "85-90% of the text." Four topics remained outstanding: funding of the Santiago Network; composition of the Network's Executive Committee; access modalities; and review. Parties continued in informal informals into the evening, and informal consultations will resume on Wednesday morning, 16 November.

Matters Related to Finance: NCQG: In the morning, Co-Facilitator Zaheer Fakir (South Africa) invited inputs on the latest draft text. Many parties saw the text as a good basis for further discussion. A developed country said some elements of the text seemed contradictory. A group of developing countries called for more ambition in the text.

A developed country said any proposal to include a specific financial quantum was premature. Another developed country said the NCQG could ultimately include quantitative and qualitative elements.

On the options for topics for the thematic expert dialogues, several developed countries opposed going beyond 2023 in setting out the topics, with one adding the text should stress the importance of expert advice and be action-oriented.

A group of developing countries cautioned against preambular paragraphs with new language that has not been previously agreed and described discussions related to the contributor base as a "non-starter," adding 2023 will be a critical year for moving towards the new target.

Guidance on Cooperative Approaches Referred to in Article 6.2: In informal consultations, co-facilitated by Peer Stiansen (Norway) and Co-Chairs Kuki Soejachmoen (Indonesia), parties exchanged views on sections of draft decision text on: the Article 6 database; centralized accounting and reporting platform (CARP); registries; and outline of the initial report.

On the database and CARP, parties called for, *inter alia*: explaining the interoperability between the two; clarifying the database's functionality and the information it will capture; further elaborating on the consistency check procedure for information submitted; and further work on common nomenclatures.

On registries, parties identified two views for the design of the international registry, one seeing it as being used for recording and accounting purposes only and the other viewing it should also allow for the movement of units. Many supported working on a bridging approach that would accommodate both views with the latter function being optional for parties, with one developing country group proposing starting as an accounting registry and then building toward a trading registry.

Parties called for improving understanding on the relationships between different registries, with some stressing the Article 6.4 registry and international registry. One group raised the need to consider the costs of data reconciliation in a non-centralized system. A developing country group cautioned against making data from the international registry automatically publicly available.

On the initial report, several groups and parties described agreeing on the outline and the report's review as priorities at this CMA. Developed countries and two developing country groups supported including illustrative text in the outline, including on a provisional basis and for use in capacity building, opposed by two developing country groups, which said it introduces further requirements.

The Co-Facilitators encouraged parties to continue consulting informally and said they would consult with the Presidency on the way forward.

Rules, Modalities and Procedures for the Mechanism Established by Article 6.4: In informal consultations co-facilitated by Kate Hancock (Australia) and Sonam Tashi (Bhutan), parties completed a round of reviews of a draft decision text.

On a section on host party reporting, parties clarified their understanding relating to Article 6.2 accounting and reporting requirements triggered by authorization of Article 6.4 emission reductions (A6.4ERs), including regarding the initial report. Many supported referencing relevant Glasgow text in the cover part of the decision instead of this section. In response to a developing country group's concern on creating duplication in reporting obligations, some noted that the review under Article 6.4 focuses on the activity level while that under Article 6.2 focuses on the country level.

On the mechanism registry's operation, two groups underscored the need to clarify what non-authorized units are, their uses,

and the process for issuing them, with one suggesting designing a registry requires understanding its basic specifications. A developing country group disagreed, saying that parties have “nothing to do” with non-authorized A6.4ERs and comparing these to voluntary carbon market units currently in circulation. One developing country stated that countries will wish to use the Article 6.4 mechanism to generate credits for domestic uses. Another developing country group suggested, as a bridging proposal, requesting all parties to indicate which use they are authorizing units for.

Parties also briefly discussed: administrative and adaptation shares of proceeds; paragraphs in the cover part of the decision; and processes for delivering overall mitigation in global emissions (OMGE). On OMGE, parties debated whether OMGE cancellations should, or can, apply to non-authorized A6.4ERs, with some noting only a corresponding adjustment delivers OMGE.

In the afternoon, parties continued discussions on sections on national arrangements and avoidance, and on the Article 6.4 Supervisory Body’s recommendations, including mandating work for the Body for 2023. The Co-Facilitators encouraged parties to consult informally in the evening.

Work Programme under the Framework for Non-market Approaches Referred to in Article 6.8: In informal consultations, co-facilitated by Maria Al-Jishi (Saudi Arabia) and Jacqueline Ruesga (New Zealand), parties shared views on sections in draft decision text on: additional focus areas of the non-market approaches work programme activities; a coordination network and working groups; and inputs to the activities’ review in 2026. Parties reported back from informal informals the previous evening, indicating the discussion resulted in one bridging proposal and clarified parties’ views.

Parties debated at length ways to streamline a list of 24 potential additional focus areas, with many calling for clustering these under the three focus areas agreed in Glasgow (decision 4/ CMA.3), relating to adaptation, mitigation, and clean energy. A developing country group expressed hesitation, stressing the need for a holistic and integrated view. Many noted the list included both themes and initiatives and processes, with one group calling for removing REDD+. Most parties converged on a bridging proposal to call for additional submissions and mandate the Secretariat to produce a synthesis report of ways to align the areas.

On a network and working groups, developing countries stressed their importance in facilitating coordination and matching between needs and support, with some developed countries opposing their establishment saying this would delay the work programme’s implementation. Most parties supported a proposal by a developing country group to postpone the decision and mandate the Secretariat to undertake an analysis of relevant best practices under the UNFCCC.

On the review, Al-Jishi noted that the original proponents of this section had agreed to delete it as premature, but a developing country group opposed its deletion at this stage.

The Co-Facilitators invited parties to submit further bridging proposals and will issue a new iteration of the text by Wednesday morning, 16 November.

COP/CMA

Matters Relating to Finance: Matters relating to the Standing Committee on Finance: In informal consultations, Co-Facilitator Dominic Molloy (UK) invited reflections on a revised draft incorporating previous input and discussions. Delegates

commented on various sections of the text, however many issues remained unresolved. Several parties suggested separating this text into two decisions, one under the COP and the other under the CMA. Several speakers also proposed streamlining the text, with a range of suggestions and opinions. Consultations will continue.

Guidance to the Global Environment Facility (GEF): In informal consultations, Co-Facilitators Toru Sugio (Japan) and Richard Muyungi (Tanzania) invited comments on the draft text circulated on Sunday, 13 November. Many welcomed it as a good basis for discussion.

Disagreement surfaced over text responding to various GEF-related changes or events, such as the GEF-8 replenishment. While developed countries generally sought to “welcome” these, many developing countries preferred to either “note” them or express disappointment, for instance at the level of funding change for GEF-8 over the previous replenishment.

Some developing countries sought to remove a reference to identity in the context of gender, while developed countries sought its retention on the grounds that greater inclusivity is important. One developed country noted that parallel negotiations are ongoing on this and other issues, and said discussions under this item should draw on their work where possible.

On text relating to the GEF System for Transparent Allocation of Resources (STAR), a developing country group said parties should not use political means to bar specific countries from receiving climate funding. Consultations will continue.

Guidance to the Green Climate Fund (GCF): In informal consultations, Co-Facilitator Richard Muyungi (Tanzania) introduced a new iteration of text. Delegates welcomed it as a sound basis for their work, and many proposed further deletions and streamlining. Several suggested removing text that they viewed amounted to micromanagement. A group of developing countries reiterated concerns about references to Paris Agreement Article 2.1(c) (on finance flows consistent with low-emissions and climate-resilient development) on the grounds that they should be seen in the context of Article 9 (finance) and Article 2.2 (equity and CBDR). One group of developing countries said the text should include additional guidance, such as for the Independent Technical Advisory Panel (ITAP), and expressed frustration at the lack of a “risk appetite.” A developed country proposed changing local community “rights” to “interests.” Consultations resumed late in the evening.

In the Corridors

The list of outstanding issues stubbornly refused to shorten. Parties tried switching up the settings, working in “informal informals” and Presidency consultations, but few signs of progress radiated into the halls. In addition to the many technical issues, one delegate opined that “hopes of recognizing the special circumstances of Africa—while in Africa—are dim.” The 3+ hour “HOD” consultation on the overarching cover decisions left many wondering how this can wrap up in the time remaining. One delegate leaving the meeting mused “the list of issues is now even longer and we still have no actual text” and another wondered how these decisions “have so quickly taken on a life of their own.”

Ministers will now take over some, but not all issues. Some, such as gender, agriculture, and response measures, were perhaps deemed too technical. Finance negotiators hoping for political interventions may be disappointed. Ministers will only discuss the NCQG. The many other finance issues will be left to negotiators, at least for the time being.