

COP 27 – An “Implementation COP” to save people and planet

Sharm El-Sheikh, 5 Nov (Meena Raman) – The annual climate conference under the United Nations Framework on Climate Change (UNFCCC), the Kyoto Protocol and the Paris Agreement kicks off in the Egyptian coastal resort city of Sharm El-Sheikh from Nov. 6 – 18.

In his letter dated 1 Nov. to the conference delegates, Egyptian Minister of Foreign Affairs, Mr. Sameh Shoukry, who will preside over the climate talks, called on delegates “to take the very needed meaningful steps to fight for the people and planet and save lives and livelihoods,” adding that COP27 (the 27th meeting of the Parties to the UNFCCC) “creates a unique opportunity for the world to come together, mend multilateralism, rebuild trust and unite at the highest political levels to address climate change”.

In providing the backdrop for the climate talks, Minister Shoukry stated that “We gather this year at a critical time of cascading risks and overlapping crises, multilateralism is facing a challenge due to geopolitical situations, spiralling food and energy prices, and a growing public finance and public debt crisis in many countries already struggling to contend with the devastating impacts of the pandemic, all of which demand urgent attention. Yet the climate crisis is existential, overriding and ever present, adverse climate impacts are increasing in frequency,

intensity and impacts. Following the news today one is confronted with a stark and distressing picture of heatwaves and droughts, wildfires, cyclones, sea level rise, land degradation and desertification and floods devastating societies around the world and erasing many hard-won development gains. Millions are facing famine, water scarcity, agricultural (sic) shrinking, and an intensifying battle against scarcity of resources. With every slightest increment of warming, the impacts will only get worse, with a disproportionate impact on those who are still developing and lack the resources and means to protect themselves through implementing effective climate action.”

The letter also states that with over 100 Heads of States and Governments joining the leaders’ summit, there is “no time to lose” and that “every COP represents an opportunity that humanity cannot afford to miss,” adding that “with this in mind, it was only logical that COP 27 unofficially be labelled ‘the Implementation COP’. This means the full and faithful implementation of all the provisions of the Paris Agreement along with pursuing even more ambitious NDCs (nationally determined contributions) if we are to keep the temperature goal within reach and avert further negative impacts. It further means pursuing a transformative action agenda

aimed at moving from pledges to actions on the ground.”

The incoming COP President also expressed that his aim “is to restore the ‘grand bargain’ at the center of the Paris Agreement and our collective multilateral climate process – whereby developing countries agreed to increase their efforts to tackle a crisis for which they are far less responsible, in return for appropriate financial support and other means of implementation as per the agreement in the Convention and the Paris Agreement.”

The talks will officially open on Sunday, 6 Nov. with the adoption of the provisional agendas of the COP, the CMP (the Conference of Parties to the Kyoto Protocol) and the CMA (the Conference of Parties to the Paris Agreement), as well as the meetings of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

The adoption of the COP and CMA agendas will be closely watched, to see how some of the controversial issues on the agenda will be tackled. (See further details below). Once the provisional agendas are adopted, negotiations will be launched through the setting up of contact groups or informal consultations on the various agenda items.

As negotiators begin their work, a parallel process will take place with a leaders’ summit, called the ‘Sharm El-Sheikh Climate Implementation Summit’, held from 7-8 Nov. with the presence of the President of Egypt, Mr. Abdel Fattah El-Sisi. Six high-level round tables are being conducted as part of the summit on the themes of: just transition, food security, innovative finance for climate and development, investing in the future of energy viz. green hydrogen, water security, and climate change and sustainability of vulnerable communities.

SOME KEY ISSUES UNDER NEGOTIATION

COP/CMA AGENDA ITEM

Among the closely watched matters on the provisional agendas of the COP and CMA include the following.

Matters relating to funding arrangements for addressing loss and damage.

Pakistan on behalf of the Group of 77 and China requested the above matter to be added as a sub-item under the agenda item on “Matters relating to finance” in the provisional agendas of both the COP and the CMA. In its letter to the Executive Secretary of the UNFCCC, the G77 conveyed that it proposed this agenda sub-item be included “to provide a decision-making space on this crucial issue. The space will allow us to discuss and conclude on solutions to address the longstanding gaps in the existing funding arrangements for addressing loss and damage.”

Discussions on loss and damage have been particularly contentious with developing countries pushing for a facility for loss and damage finance, while developed countries, especially the United States (US) were firmly opposed to this. The eventual compromise reached last year in Glasgow was just to have a general dialogue instead of discussing a loss and damage finance facility. Hence, the G77 proposal to discuss funding arrangements for addressing loss and damage in Sharm El-Sheikh.

Doubling adaptation finance

The G77/China, upon the request of the African Group, has also requested the addition of a new agenda item under the COP and CMA called “*Implementation of Decisions 1/CP.26 paragraph 11, and 1/CMA.3 paragraph 18 on adaptation finance.*”

The relevant decisions adopted in Glasgow urge “developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources, recalling Article 9 (4) of the Paris Agreement.

Article 2.1(c) of the Paris Agreement

The European Union (EU) and the Environmental Integrity Group (EIG) have asked for this matter to be added as an agenda item to the CMA provisional agenda. Article 2.1 (c) of the Paris Agreement provides as follows: “*Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient*

development.”

Developing countries can be expected to not to agree to this item on the agenda, given that this matter is already being dealt with by the UNFCCC’s Standing Committee on Finance (SCF), and ‘Matters relating to the SCF’ are already on the agenda of the COP and the CMA. Article 2.1(c) has been controversial among developed and developing countries, with varying interpretations about what its scope is. Developed countries have been advancing a very broad interpretation which includes looking at financial flows from all sources, including a broader donor base which includes developing countries as well as the private sector, while developing countries argue that the article should be read within the context of Article 9 of the Paris Agreement, which makes developed countries responsible for the provision and mobilization of climate finance.

Limiting global warming to 1.5-degree C

Switzerland, on behalf of the EIG has requested the addition of the aforesaid agenda item on the CMA provisional agenda. The request is likely to be contested, given that there is already an agenda item under the Subsidiary Bodies (SBs) which deals with the Mitigation Work Programme (See further details below), which arose out of a decision adopted in Glasgow last year.

Special needs and special circumstances of Africa

The African Group has requested the addition of the above agenda item on the provisional agenda of the CMA. In the past, when such a request was made there was no consensus among Parties for this, including from other developing countries from other regions who also wanted their special needs and circumstances to also be addressed

It is learnt that the Egyptian Presidency has been conducting informal consultations with various groupings and heads of delegations on these matters to enable a smooth adoption of the agendas without protracted debates in plenary.

MATTERS ON CLIMATE FINANCE

There are several important matters on finance on the COP/CMA agendas, and as usual, expected to be very contentious, with negotiations usually going on till the final hours of the conference. Among the major finance issues to watch out for relate to the work of the SCF, which include the following:

Progress report on USD 100 billion

COP 26 had mandated the SCF to prepare a report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries... taking into account the Climate Finance Delivery Plan and other relevant reports, for consideration by COP 27, and to continue to contribute to assessing the achievement of the goal in the context of the preparation of its biennial assessment and overview of climate finance flows. (The Climate Finance Delivery plan process is being co-led by the governments of Germany and Canada to demonstrate how and when developed countries will meet the US\$ 100 billion per year goal.)

COP 27 is expected to consider the 122-page technical report by the SCF under the agenda item on ‘long-term climate finance’ and is likely to recommend further action emerging from the findings of the technical report. The SCF was unable to agree on the summary and recommendations of the progress report on the USD 100 billion per year (at its meeting in October 2022) due to differences over presenting aggregate estimates of what was actually realised. For developing countries, it is a matter of serious concern that there is no clarity in what the gap is in relation to achieving the USD 100 billion per year target commitment of developed countries.

The technical report mentions that all developed countries need to step up efforts to meet the goal, implying the need to scale up public finance. It also indicates that the scale of private finance mobilization is not where it was projected to be in the 2016 Roadmap, demonstrating that further efforts are needed to improve the effectiveness of mobilizing private finance from public interventions and that despite relative increases in adaptation finance, more work needs to be

done to increase both the quantity and accessibility of adaptation finance, among others.

Biennial assessment and overview of climate finance flows

The SCF has been tasked to prepare a biennial assessment and overview of climate finance flows (BA) drawing on available sources of information and including information on the geographical and thematic balance of such flows, and Parties are expected to deliberate on the summary and recommendations of the fifth BA (BA5), which covers the period of 2019-2020. The BA5 mentions that “challenges were encountered in aggregating and analysing information from diverse sources with varying degrees of transparency” and that challenges remained in “filling data gaps, particularly on private finance for adaptation activities and for mitigation activities in the AFOLU (agriculture, forestry and land use sectors), the waste and the water and sanitation sectors”. The BA5 also mentions that the classification of data such as by geographical region or by granularity is not uniform across data sources. It is due to such challenges that “no aggregation of data from different sources for finance flows from developed countries to developing countries was carried out” for the fifth BA.

The summary of BA 5 also mentions that:

- The collective goal of jointly mobilizing USD 100 billion per year by 2020 to address the needs of developing countries in the context of meaningful mitigation action and transparency on implementation was not fully met in 2020.
- More public finance flows from developed to developing countries are for mitigation than for adaptation.
- Global climate finance flows are small relative to the overall needs of developing countries.
- UNFCCC funds and multilateral climate funds approved a combined USD 2.9 billion and USD 3.5 billion for climate change projects in 2019 and 2020 respectively.

The BA5 also provides recommendations around methodological issues related to climate finance flows, overview of climate finance flows as well as assessment of climate finance flows, which will be discussed by Parties.

Article 2.1(c) of the Paris Agreement

CMA 3 had invited Parties, the operating entities of the Financial Mechanism, international financial institutions and other stakeholders in the financial sector to submit their views regarding ways to achieve Article 2.(1)(c), including options for approaches and guidelines for implementation, and requested the SCF to submit a synthesis for consideration at CMA 4. The CMA is expected to continue discussions on the report by the SCF on the issue.

Definitions of climate finance

The SCF was tasked to continue its work on definitions of climate finance, taking into account the submissions received from Parties on the matter, for consideration in Sharm-El-Sheikh.

The SCF report on definitions includes a compilation and synthesis of information submitted by Parties and non-Parties on the definitions, with an overview of definitions of climate finance in used by Parties in their reporting under the Convention and the Paris Agreement, and an overview of the definitions used outside of the Convention and the Paris Agreement by climate finance providers, data aggregators and governments.

Developing countries in the past have called for a single multilaterally agreed definition of climate finance to better track climate finance flowing into developing countries, while developed countries wanted more than one definition to be accommodated. It remains to be seen how Parties deal with the suite of different definitions in the report by the SCF on the issue.

MITIGATION WORK PROGRAMME

At CMA 3 in Glasgow, Parties had agreed to “to establish a work programme to urgently scale up mitigation ambition and implementation” in this critical decade, and requested the SBs to recommend a draft decision on this matter for consideration and adoption by CMA 4 in Sharm El-Sheikh, “in a manner that complements the global stocktake (GST)”. In June this year, at the intersession meetings of the SBs in Bonn, Germany, discussions on the mitigation work programme (MWP) were very contentious, with no agreement on an informal note produced by co-facilitators to reflect the discussions.

At the Bonn session, the US, Canada, Australia, Norway, the EIG, and the EU expressed their discomfort with the informal note on the “guiding principles”, which included elements such as “be based on the principles and provisions of the Convention and the Paris Agreement, including equity and common but differentiated responsibilities and respective capabilities (CBDR-RC)” among others. The Like-Minded Developing Countries (LMDC), the Arab Group, the Africa Group and ABU (Argentina, Brazil and Uruguay) expressed concerns with the elements such as references to “concrete actions by major emitters with capabilities”, among others. (For further details, see TWN Climate Change Updates from [Bonn](#)).

In Sharm El-Sheikh, discussions on the MWP will continue to be very difficult, given the refusal by developed countries to acknowledge their historical responsibility for their past and current emissions, which are responsible for the overuse of the carbon budget since the industrial revolution.

In a [statement](#) from LMDC ministers ahead of COP 27, they expressed that “Despite the emissions reduction declarations and high ambition announced by developed countries at COP 26 last year, we note that some developed countries have backtracked in their actions in the name of addressing the recent challenges they face....The developed countries have taken inadequate and unambitious goals to achieve net zero emissions by 2050, while they continue to emit, and disproportionately consume the global carbon budget. They should attain net zero well before 2050.”

The statement also noted that “developed countries bear the greatest responsibility for climate change” and referred to the Intergovernmental Panel on Climate Change’s Working Group III report for the 6th Assessment Report which showed that “developed countries accounted for the larger share of emissions between 1850 and 2019, despite accounting for only 16 per cent of the global population”, and “as a consequence of historical cumulative emissions only a meagre amount of the total global carbon budget remains. This amounts to only one-fifth for 1.5-degree C warming (with 50 per cent probability) and only one-third for 2-degree C

warming (with 50 per cent probability).”

SANTIAGO NETWORK ON LOSS AND DAMAGE

The Santiago network on loss and damage (SNLD) was established at COP 25, to catalyse technical assistance for averting, minimising and addressing loss and damage in developing countries. At COP 26, the functions of the SNLD were agreed on and also that funds will be provided to support its functions. At the June intersession in Bonn, Parties were expected to focus their attention on the structure, operational modalities, funding arrangements, and other elements regarding its’ institutional arrangements to make it operational, and for a decision to be forward to COP 27 with recommendations.

However, negotiations in Bonn only resulted in procedural conclusions, and failed to significantly advance the institutionalization of the Network, to make it operational as soon as possible in catalysing the delivery of loss and damage-related technical assistance and other support to developing countries on the ground.

Developing countries generally favoured a more deliberate and robust approach towards the elaboration of these institutional elements that would ensure policy accountability and oversight by the Parties and make sure that the SNLD’s activities are need-based and demand-driven. Developed countries on the other hand, preferred using existing bodies such as the Executive Committee (ExCom) of the Warsaw International Mechanism (WIM) on Loss and Damage to exercise oversight over the SNLD and its secretariat, and wanted the discussion to focus on the criteria and selection of the secretariat for the SNLD. Negotiations will resume at COP 27 with the hope of agreement on the institutional arrangements.

GLOBAL GOAL ON ADAPTATION

Article 7.1 of the Paris Agreement established the global goal on adaptation (GGA) of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal referred to in Article 2 of the Agreement.

At CMA 3 last year, established and launched a comprehensive two-year (2022–2023) Glasgow–Sharm el-Sheikh work programme on the GGA, to be carried out jointly by the subsidiary bodies and for them to report annually to the CMA on the progress of implementing the work programme, with a view to recommending a draft decision thereon for consideration and adoption at CMA 5.

Four workshops have been conducted under the work programme on various themes on enhancing understanding of the GGA and reviewing progress towards it; on enhancing adaptation action and support; on methodologies, indicators, data and metrics, and monitoring and evaluation and on communicating and reporting on adaptation priorities. The CMA will be invited to consider the report of the SBs on progress in implementing the work programme and to take any action it deems appropriate.

GLOBAL STOCKTAKE

The first global stocktake (GST) will take place in 2023, as agreed under the Paris Agreement to assess the collective progress of Parties in achieving the Agreement's goals, including on mitigation, adaptation, and the means of implementation and support, in light of equity and the best available science. The issues of loss and damage as well as response measures are also being considered by the GST. The outcome of

the GST is to inform Parties in updating and enhancing their actions and support, and the process has therefore been viewed as a 'ratchet' mechanism for enhancing ambition on all elements of action and support.

The GST consists of three components: information collection and preparation, which took place in 2021; the technical assessment, which started at the June intersession (with the first technical dialogue) and with a second technical dialogue (to be conducted in Sharm el-Sheikh), and which will conclude in June 2023; and the consideration of outputs, will take place at CMA 5 in Nov. 2023.

The outputs from the technical assessment phase will be critical for the consideration of Parties next year. Hence, how the co-facilitators of the technical dialogue (from South Africa and the US) summarize the outputs in a summary report covering all topics of the dialogue from the roundtable discussions, focused exchanges, world café stations and the closing plenary statements of Parties will indeed be closely watched, scrutinised and deliberated on.

These are just some of the many issues that will be dealt with at the Sharm El-Sheikh climate conference. As challenging as they are, it is certainly hoped that much will be achieved in order to have real meaning for the poor and the planet affected by the climate crisis.