

## Glasgow Climate Change Conference: Wednesday, 10 November 2021

Delegates at the Glasgow Climate Change Conference heard the first overview of the state of play in the negotiations since texts and issues were handed to ministers on Monday, 8 November. Finance discussions continued with additional urgency, given the COP 26 Presidency's call to conclude technical deliberations on these items by the end of the day.

### Presidency's Stocktaking Session

COP 26 President Alok Sharma said world leaders were clearly committed to an ambitious COP 26 outcome. Ministerial Co-Facilitators reported back.

On Article 6, Espen Barth Eide, Minister of Climate and the Environment, Norway, said there is universal agreement on concluding this work at COP 26. He noted key political issues remain: share of proceeds; accounting for units generated out of the scope of nationally determined contributions (NDCs), including corresponding adjustments; and carryover of activities and units from the Kyoto Protocol's Clean Development Mechanism (CDM).

On common time frames, Simonetta Sommaruga, Minister of the Environment, Transport, Energy and Communications, Switzerland, said the Co-Facilitators pared down the text to two options. She said views still differ widely, with some parties stressing the Paris Agreement's five-year ambition cycle and others calling for flexibility.

On the enhanced transparency framework, James Shaw, Minister for Climate Change, New Zealand, reported that a revised draft decision text was imminent and noted concerns around the sequencing of decisions given the linkages to other agenda items. Noting that the first reports are due in 2024, he relayed calls for assurances on the delivery of support, and said continued work was required on how to deliver such assurances.

On adaptation, Aminauth Shauna, Minister of the Environment, Maldives, said that parties have agreed to a two-year work programme on the global goal for adaptation under the subsidiary bodies, with the involvement of the CMA Presidencies to maintain the political profile of the goal.

On loss and damage, Parnell Charles Jr., Minister of Housing, Urban Renewal, Environment and Climate Change, Jamaica, highlighted key issues including: how any new loss and damage finance category could be defined and captured in reporting tables under the enhanced transparency framework; how loss and damage could be considered in the deliberations towards the post-2025 finance goal; and how to ensure that action on loss and damage is commensurate with the scale of the problem. Carole Dischbourg, Minister for the Environment, Climate and Sustainable Development (Luxembourg) highlighted divergent

views on new, additional, and specific finance for loss and damage.

On ambition, Dan Jannik Jørgensen, Minister of Climate, Energy and Utilities, Denmark, said there was a strong call from parties for increased action, beginning in 2022, to address the mitigation gap. Simon Stiell, Minister for Climate Resilience and the Environment, Grenada, said the draft cover decisions set out, in a balanced way, the core elements, given the need for urgent action before 2030. He acknowledged that parties have stressed the importance of not renegotiating the Paris Agreement.

Archie Young, COP 26 Presidency, reported that new iterations of the draft cover decisions were issued. He said the Presidency is "very carefully managing" the linkages between the cover decisions and ongoing work on specific agenda items. Regarding work under the governing bodies, he highlighted finance, noting ministerial discussions on the USD 100 billion annual goal, scaled-up adaptation finance, and the new collective quantified finance goal.

On the overarching cover decisions, the EU and Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), expressed support for references to human rights, gender, and Indigenous Peoples' rights. Saying "major emitters have major responsibility," the EU called for the cover decisions to include a call for parties to submit ambitious NDCs and mid-century net zero plans.

Gabon, for the AFRICAN GROUP, stressed developed countries need to bring ambitious NDCs to the table, and stressed ambition is linked to support. Bhutan, for the LEAST DEVELOPED COUNTRIES (LDCs), said ambition on 1.5°C needs to be strengthened in the cover decisions.

The EIG said the cover decisions should refer to tipping points, and give a clear signal on ambition. Antigua and Barbuda, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), called for decisive language.

Bolivia, for the LIKE-MINDED GROUP OF DEVELOPING COUNTRIES (LMDCs) characterized the cover decisions as a developed country narrative that shifts responsibility onto developing countries and reduces common but differentiated responsibilities (CBDR) to a slogan, calling for including historic responsibility, CBDR, and pre-2020 action. VENEZUELA underscored the need to include unilateral measures.

On adaptation, the AFRICAN GROUP highlighted the global goal on adaptation as critical for the Paris Agreement's full and effective implementation, calling for the launch of a work programme for the goal's full and sustained operationalization. The LDCs said there had been good progress on the global goal on adaptation, supporting a work programme with a timeline of two years.

On finance, Guinea, for the G-77/CHINA, with Bolivia, for the LMDCs, underscored their frustration with finance discussions,

saying developing countries refuse to engage and continue to raise questions about which countries will contribute to the new collective finance goal. He called for concrete arrangements, rather than workshops, for deliberations on the new collective finance goal, and for the continuation of the long-term finance work programme to assess delivery of the USD 100 billion annual goal.

The AFRICAN GROUP underscored the importance of adaptation finance, noting a voluntary mechanism on share of proceeds under Article 6 is not sufficient. The LDCs expressed concern about the remaining differences and volume of work needed for an ambitious outcome on Article 6.

The EIG said the deliberations on the post-2025 goal should be inclusive with space for inputs and discussion from all parties, civil society, and the private sector. The EU reported that USD 600 million has “come from Europe” for adaptation finance at this COP, and expressed willingness to engage on future commitments.

On Article 6, the LDCs noted concern on share of proceeds and overall mitigation of global emissions, highlighting they could consider the transition of CDM projects that meet acceptable standards. The EIG underscored the need for a robust system with full accounting. The G-77/CHINA highlighted linkages between Article 6 and the transparency framework.

On loss and damage, the G-77/CHINA urged governance of loss and damage by both COP and CMA, and inclusion of loss and damage in both the transparency framework and the cover decisions. The LDCs highlighted finance for loss and damage.

The AFRICAN GROUP noted the need for the Presidency to fulfill its commitment to consult on Africa’s special circumstances.

## COP

### Matters Relating to Finance: Long-term finance (LTF):

Informal consultations were co-facilitated by Georg Børsting (Norway), who invited views on a revised draft decision.

A developing country group noted the difference between “commitments” and “pledges,” preferring to “take note of” rather than “welcome” recent pledges.

Delegates debated how to reflect the state of play on the USD 100 billion per year by 2020 goal. Developing countries underscored their disappointment at developed countries’ failure to fulfill this commitment, with one group observing a resulting “credibility gap” that overshadows the discussions on the new collective finance goal under the CMA.

Two developed countries suggested differentiating between “efforts” and “outcome.” They acknowledged the underperformance in terms of the outcome, pointing to challenges in mobilizing private finance, but emphasized efforts made to address this, with one country also noting comprehensive data on 2020 is still outstanding.

A developed country suggested entrusting the Co-Facilitators with finding middle ground throughout the whole text, but the Co-Facilitators preferred that parties identify bridging proposals informally, noting the Presidency called for technical discussions to finish by the end of the day. They indicated ministers are consulting on adaptation finance, COP long-term finance, and progress tracking on the USD 100 billion commitment. Informal informals convened.

## CMA

**Matters Relating to Finance: New collective quantified goal on climate finance:** Informal consultations were co-facilitated by Zaheer Fakir (South Africa), who invited parties to report on discussions held in informal informals and identify further common ground at the technical level. Many groups considered discussions to have been fruitful and noted agreement on principles, such as for the process to be inclusive and transparent.

Delegates reflected on a bridging proposal foreseeing: technical expert dialogues, ensuring participation of all interested parties and openness to civil society; and high-level ministerial dialogues informed by reports on the technical dialogues. The proposal suggests: holding these dialogues in 2022, 2023, and possibly 2024, depending on the decision on the process’ timeline; for submissions to inform the dialogues; for the Secretariat to prepare reports on the dialogues, with reports on the technical expert dialogues informing discussions at the political level; and for the CMA to take stock of these discussions and provide guidance for the subsequent year.

Several developing country groups noted preference for an *ad hoc* working group, but expressed openness to engage on bridging proposals. One developed country cautioned that establishing an *ad hoc* working group or committee would require time-consuming negotiations over budget and terms of reference.

Regarding technical dialogues, comments related to, among others: holding them over two to three days; ensuring all groups and regions are represented; using hybrid settings to enable wide participation; and avoiding overlapping with the subsidiary bodies’ meetings, while striving to bundle meetings to limit travel costs. On the outputs of the dialogues, comments included that the outputs should be “more than summaries” and capture progression in the deliberations, and that any decision on the new goal is to be taken by the CMA.

On the combination of technical and political discussions, a developing country group cautioned that a cyclical structure of technical and political dialogues might result in political “interference” rather than “guidance,” noting that the scope of technical discussions should not be narrowed. Another developing country group emphasized the need for comprehensive technical discussions on developing countries’ needs.

**Compilation and synthesis of, and summary report on the in-session workshop on, biennial communications of information related to Article 9.5 of the Paris Agreement (ex ante finance transparency):** In informal consultations, Co-Facilitator Carlos Fuller (Belize) invited parties to comment on a new iteration of draft text.

On the preamble, two developing country groups underscored the need to underline the importance of Articles 9.1 and 9.3 of the Paris Agreement (developed country parties shall provide resources, and are to take the lead in mobilizing climate finance).

Many developing countries suggested deleting a paragraph that notes with concern that there were no submissions of biennial communications by other parties in a position to provide voluntary support. Developed countries preferred to keep it, but agreed to remove “with concern.”

Several developed countries suggested deleting the paragraphs noting the first report on the determination of needs of developing country parties and urging developed country parties to show progression in the mobilization of climate finance. Many developing countries objected to the deletion, with one group lamenting that developed countries are denying their obligations.

On guiding topics for discussions in the biennial in-session workshops, developing countries insisted on specifying key elements in the decision, whereas developed countries preferred to discuss these in 2022 to take into account the second round of communications. One developed country said she will suggest text to resolve this issue.

Parties also disagreed on whether to encourage other parties to communicate information on their financial support. Many developing countries noted that it is not appropriate to equate parties that have legal reporting obligations with those reporting on a voluntary basis. One developing country, supported by one developed country, suggested putting the text encouraging other parties’ submissions into a separate, bracketed paragraph.

Informal informals continued.

**Matters related to the Adaptation Fund:** In a contact group, Co-Chairs Ali Waqas Malik (Pakistan) and Claudia Keller (Germany) introduced a new iteration of text.

Discussions focused on eligibility issues. With regard to eligibility for funding from the Adaptation Fund, South Africa, for the AFRICAN GROUP, supported by Belize, for AOSIS, said that the CMP has authority to confirm eligibility, clarifying that the CMA can make recommendations to this effect. They suggested addressing the question in the CMP contact group on the Adaptation Fund.

Parties also exchanged views on eligibility for Adaptation Fund Board membership. South Africa, for the AFRICAN GROUP, said agreement will be in sight when a share of proceeds is available and suggested, supported by India, for the LMDCs, stating that the CMA agrees to continue discussing eligibility matters. The EU and the US opposed.

The Co-Chairs invited parties to discuss bilaterally.

### **COP/CMA**

**Matters Relating to Finance: Matters relating to the SCF:** In informal consultations, Co-Facilitator Gard Lindseth (Norway) introduced a new iteration of draft text.

On the fourth biennial assessment and overview of climate finance flows, several developed countries suggested mentioning that 53 banks representing over USD 37 trillion in assets have pledged to align their lending and investment portfolios with net zero by 2050. One developed country also proposed to mention fossil fuel subsidies, and a developing country suggested including flows of public finance from developed to developing countries.

Parties diverged on the definition of climate finance. Many developed countries suggested bracketing the paragraphs that underline the lack of a multilaterally agreed definition and request the SCF to continue and finalize its deliberations on definition. One developed country also proposed, supported by many others, to take note of the divergent views on the need for, and added value of, a common definition of climate finance. Noting the importance of having a multilaterally-agreed definition, many developing countries objected, and suggested bracketing a paragraph that takes note of the definitions of climate finance provided by parties in their NDCs, national communications, biennial reports, and biennial update reports.

Several developed countries suggested, opposed by developing countries, to remove “just transition” in a paragraph urging parties to ensure the implementation of Article 2.1(c) of the Paris Agreement (making finance flows consistent with a pathway towards low-GHG emissions and climate-resilient development).

On the first report on the determination of the needs of developing country parties (NDR), a developing country group queried the sufficiency of noting that the NDR does not include many of the needs and costs of developing countries, without asking the COP to act.

On the draft CMA decision, a developing country group preferred to go further than simply endorsing the COP decision, suggesting mirroring the content of the COP decision and adding CMA-related elements.

The Co-Facilitators asked for support in producing clean text to be reported to the Presidency. Consultations continued.

**Development and Transfer of Technologies: Second review of the Climate Technology Centre and Network (CTCN):** In informal consultations, co-facilitated by Stephen Minas (Greece), a party reported back the outcomes of informal informals.

On a proposed paragraph that indicates various challenges faced by the CTCN including limited financial resources, administrative and communication challenges, and lack of resources of developing countries’ national designated entities,

some developed countries preferred to not specify different challenges. A developing country opposed, underscoring that these are the challenges identified by the second independent review of the CTCN. Some developing countries suggested specifying the CTCN’s funding sources, and who should provide funding. Several developing countries also suggested requesting the UNFCCC Secretariat to support the CTCN’s resource mobilization efforts.

The Co-Facilitators will prepare a further iteration of the draft text and informal informals will continue.

### **CMP**

**Matters Relating to Finance: Report of the Adaptation Fund Board (for 2020 and 2021):** The contact group session was co-facilitated by Ali Waqas Malik (Pakistan), who invited views on a draft text.

There were no comments on the first part of the decision, which deals with the consideration of the 2020 and 2021 reports of the Adaptation Fund Board.

On the second part of the decision, on guidance to the Fund, China, for the LMDCs, called for deleting reference to the provision of voluntary support by parties in a position to do so, with several developed countries objecting. South Africa, for the AFRICAN GROUP, supported by Belize, for AOSIS, reiterated a suggestion made in the CMA contact group on the Adaptation Fund, for the CMP to clarify eligibility issues, notably confirming that developing country parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund. NORWAY and SWITZERLAND called for parking discussions to await the result of the CMA contact group. Discussions continued informally.

### **In the Corridors**

Some heavy hitters were back at COP. UN Secretary-General António Guterres held meetings with delegations throughout the day. Leaving a bilateral, one delegate pondered the reason for his arrival: “He seems determined to help us out here. He sees possibility, but also reasons for worry.” Meanwhile, UK Prime Minister Boris Johnson arrived to, in one journalist’s opinion, “save the COP.”

From the Presidency’s Stocktake, it seems to many delegates there are two threads that could pull the Glasgow package apart, or tie it all together: finance and loss and damage. Finance is, “at its heart,” a developing country opined, “a matter of lost trust.” One negotiator, rushing out for their “one minute respite,” said that she thought finance had not had enough time, but they still hadn’t heard about the possibility of more time tomorrow because “the Presidency seems to be really pushing us.”

Developing countries have called for loss and damage to be recognized in transparency and finance discussions, and for its governance to be settled. Each discussion is individually difficult. Together, they could represent a wholesale leap in the acknowledgement and resourcing of loss and damage. The cover decisions may be one place to weave the package together, and heads of delegation were still debating these late into the evening.

Two major players weighed in by the end of the day. In back-to-back press conferences, the Climate Envoys for China and the US unveiled a joint declaration on enhancing climate action. It includes cooperation on methane and a working group on enhancing climate action in the 2020s. Both countries intend to communicate new NDCs in 2025, that will run until 2035. This may help ministers choose between the two options currently before them on common time frames. Both countries committed to sorting out Article 6 and transparency at COP 26. This announcement may be a late gift to the Presidency as it tries to help countries iron out the many issues on the table.