TWN Climate News Updates

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Glasgow Climate News Updates

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NOTE

This is a compilation of 19 News Updates prepared by the Third World Network for and during the recent United Nations Climate Change Talks – the 26th session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP 26), the 16th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 16), the third session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 3), as well as the 52nd to 55th sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 52-55) and the Subsidiary Body for Implementation (SBI 52-55) – in Glasgow, Scotland from 31 October to 12 November 2021.

TWN
Glasgow News Update 1

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What to expect at the UN climate talks in Glasgow

Glasgow, 31 October (T Ajit and Meena Raman) – Amidst the ongoing COVID-19 pandemic, the annual climate talks under the United Nations Framework Convention on Climate Change (UNFCCC) will take place by attendance by delegates in person from 31 October-12 November 2021 in Glasgow, Scotland, after a year of delay.

World leaders are expected to attend a summit that will take place on 1 and 2 November to focus on the need for increased ambition to tackle climate change, including on boosting the provision of finance to developing countries.

BACKDROP OF THE TALKS

The Glasgow talks are taking place against the backdrop of an unprecedented combination of multiple crises in the world, which is particularly devastating for the developing world. Apart from facing climate impacts from recent extreme weather-related events, the pandemic and its impacts on peoples' health and the economy have taken a major toll on developing countries, with challenges to national budgets and increased borrowings for many, raising the level of indebtedness.

As revealed by the UN Conference on Trade and Development (UNCTAD) recently, many developing countries can no longer achieve their ambitions set out in Agenda 2030 and the Paris Agreement (PA) due to the pandemic and delivering on those ambitions will require international cooperation between the North and South on a coordinated and unprecedented scale, across a series of deeply interconnected economic, social and environmental challenges, with estimates of the required additional investments amounting to a minimum of 2% of global GDP annually (upwards of USD 1.7 trillion per year) for the next few decades.

Whether Glasgow will see the much-needed international cooperation at such an unprecedented scale remains to be seen, especially on the issue of climate finance.

With many parts of the world still facing inadequate vaccine access due to the prevailing inequity between the rich and poor, the participation of delegates from the Global South has certainly been hampered.

To compound matters further, the recently released report of the Intergovernmental Panel on Climate Change (IPCC) on "The Physical Science Basis" has been viewed as a "code-red" for the future of humanity and the planet.

Many world leaders and negotiators will certainly refer to the warnings in this report which reaffirms the linear relationship between cumulative emissions and rise in global surface temperature. It notes that from 1850 till 2019, approximately 2,390 gigatonnes of carbon dioxide (GtCO2) were emitted, and this was responsible, along with lesser contributions from other greenhouse gases (GHGs), for an increase in global surface temperatures of about 1.07°C compared to pre-industrial times.

According to experts, the report reveals that for a 50% probability of limiting temperature rise to below 1.5°C, the total carbon budget remaining is only 500 GtCO2 of emissions, and with current emission trends, this will be exhausted within a decade or so. Global emission databases reveal that developed countries have been responsible for over 60% of these past emissions.

Even with the updated nationally determined contributions (NDCs) under the PA, a recent report by the UNFCCC Secretariat reveals that there is an "urgent need for either a significant increase in the level of ambition of NDCs between now and 2030 or a significant overachievement of the latest

NDCs, or a combination of both, in order to attain cost-optimal emission levels suggested in many of the scenarios considered by the IPCC".

Meanwhile, since last year, there have been increased calls from the UN Secretary-General and the incoming COP 26 UK Presidency for all countries to declare net zero targets by 2050 at the earliest.

In a recent statement from the Like-Minded Developing Countries (LMDC), ministers said, "Demands for net-zero emissions for all countries by 2050 will exacerbate further the existing inequities between developed and developing countries." They explained that "the PA refers to achieving a balance between emissions and removal by sinks in the second half of this century as a global aspiration rather than as national targets for all countries. Achieving this global aspiration is on the basis of equity and common but differentiated responsibilities (CBDR), in the context of ensuring sustainable development and poverty eradication in developing countries and taking into consideration equity. This means that the historical responsibility for the predominant majority of cumulative anthropogenic emissions since the Industrial Revolution among developed countries must be fully recognised as a key element in determining how such global aspiration will be achieved equitably." (See related TWN Update.)

Climate justice groups around the world have also criticised the net-zero-by-2050 pledges of developed countries, pointing out that far from signifying ambition, such distant targets delay real action needed today in getting to real zero.

KEY ISSUES UNDER NEGOTIATIONS

Governments attending the 26th session of the Conference of Parties to the UNFCCC (known as COP 26), the 16th session of the Kyoto Protocol Parties (CMP 16) and the third session of the Conference of Parties to the Paris Agreement (CMA 3) will meet along with the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA), to consider and decide on various issues including a few unfinished items as well as further work dealing with the Paris Agreement implementation.

Some work has been happening on various issues through consultations convened virtually through 2020 and 2021. In Glasgow, Parties will continue to negotiate on these issues in order to adopt the final conclusions and decisions. We set out below some of the key issues to be discussed at the two-week meetings.

SECOND PERIODIC REVIEW

Related to the issue of the implementation of pre-2020 commitments is an item on the agenda of the Subsidiary Bodies known as the "Second periodic review of the long-term global goal (LTGG) under the Convention and of overall progress towards achieving it".

COP 25 decided that the second periodic review shall start in the second half of 2020 and conclude in 2022 in conjunction with structured expert dialogues (SEDs). The first SED was held in two parts in November 2020 and June 2021. The second SED will be convened at COP 26, and the Subsidiary Bodies will continue their consideration of matters relating to the second periodic review via a joint contact group and determine any follow-up action.

Discussion on the second periodic review is under two themes. Theme 1 relates to the science of the LTGG, and theme 2 is on means of implementation and support with respect to steps taken by Parties towards the LTGG.

These issues are also closely linked to the pre-2020 commitments of developed countries where developing countries want to ensure that the unfulfilled commitments of the former in the pre-2020 period are not transferred onto the latter in the post-2020 period. The low level of emission reductions of developed countries in the pre-2020 time frame as well as the failure to mobilise the USD 100 billion per year by 2020 (which got shifted to 2025) are expected to be raised by developing countries.

ADAPTATION

Currently, the COP and CMA agenda item titled "Report of the Adaptation Committee" is the only place to discuss substantive matters related to adaptation. This is the reason why some developing countries have come up with proposals of having an overarching agenda item on adaptation where all related matters are discussed under both the COP and the CMA. Whether these proposals by developing countries will be agreed to by developed countries remains to be seen and may involve wrangling over the provisional agendas prior to their adoption.

Under the report of the Adaptation Committee (for 2019, 2020, 2021), the CMA is expected to consider the recommendations from the report. The CMA had tasked the Adaptation Committee (AC) with a number of issues which include: approaches to reviewing the overall progress made in achieving the global goal on adaptation (GGA); draft supplementary guidance for voluntary use by Parties in communicating adaptation information; methodologies for assessing adaptation needs of developing countries; modalities for recognising the adaptation efforts of developing countries; methodologies for reviewing the adequacy and effectiveness for adaptation and support; and input to the global stocktake.

(In accordance with decision 1/CMA.2, the mandate pertaining to the GGA has a reporting deadline of 2021, while delivery on the remaining mandates is scheduled for 2022 or is unspecified.)

Discussions on the GGA are expected to be contentious. Developing countries are expected to push for a definition of the GGA, including a quantitative and qualitative goal, and for a process to operationalise the goal. Developed countries have maintained in the past that there is no need to define the GGA since it is clear in the PA what the GGA means, and are likely to resist any further recommendations in this regard.

LOSS AND DAMAGE

A key issue on loss and damage relates to the operationalisation of the Santiago Network on Loss and Damage (SNLD), which was established by COP 25.

Developing countries will push for the SNLD's meaningful operationalisation, wherein the Network will provide technical assistance and finance and technology support to developing countries in addressing, averting, and minimising the loss and damage to their territories, societies and economies. Developing countries want to have an in-depth discussion on the institutional arrangements, the functions of the coordination mechanism and how support can be provided to them. Developed countries on the other hand prefer a quick institutionalisation featuring websites and such like, and do not entertain the idea of financial and technology support to developing countries for loss and damage.

Another issue relates to the governance of the Warsaw International Mechanism on Loss and Damage (WIM), including its Executive Committee (Ex-Com). The issue is whether the WIM should be exclusively under the authority and guidance of the CMA (Parties to the PA) or whether it should also continue to be governed by the COP (Parties to the Convention) as well.

Developed countries take the view that given Article 8(2) of the PA, the WIM should be governed by the CMA while developing countries wish the WIM to be under both the COP and the CMA, as they do not want the mandate and scope of the WIM to be limited.

Article 8(2) of the PA states that the WIM shall be subject to the authority and guidance of the CMA and may be enhanced and strengthened as determined by the CMA. Further, at COP 24 and 25, Parties were invited to consider the matter of the COP authority over and guidance to the WIM, including its ExCom. COP 24 noted the understanding among Parties that it would only consider the report of the ExCom, without prejudging outcomes of future consideration of the governance of the WIM. At COP 25 there was no consensus on governance arrangement and it noted that considerations related to the governance of the WIM will continue at COP 26.

ARTICLE 6 OF THE PA

Article 6 of the PA generally deals with what is known as cooperative approaches among Parties, which include the use of market and non-market approaches. This is an unfinished item in finalising the rules for implementation which has been going on since 2016 and has been difficult, complex and contentious.

Discussions in Glasgow will focus on three cooperative approaches in the implementation of Parties' NDCs. These include Article 6(2), which allows Parties to engage "on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes (ITMOs)" towards their NDCs; Article 6(4), which is a mechanism to "contribute to the mitigation of GHGs and support sustainable development", and Article 6(8), which deals with non-market approaches, recognising the "… importance of integrated, holistic and balanced non-market approaches being available to Parties to assist in the implementation of their NDCs... including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building, as appropriate…".

Since COP 25, various informal consultations including ministerial consultations were convened over 2020 and 2021 to get more clarity on how to arrive at a consensus in Glasgow. Several sticky issues remain. The SBSTA Chair has come up with an informal options paper on the sticky issues.

Under Article 6(2), the biggest sticking point is in relation to whether there can be a share of proceeds from the use of ITMOs that goes towards resourcing the Adaptation Fund (AF). The PA is silent on the matter, while there is an express provision for the Article 6(4) mechanism to contribute a share of proceeds to the AF. Developing countries have been calling for a share of proceeds to come from both the ITMOs and the Article 6(4) mechanism, while developed countries are against this. The matter has been elevated to the ministerial level and while bridging proposals exist in relation to resolving the issue, developing countries are likely to push for a mandatory share of proceeds for the AF under Article 6(2), comparable to the share of proceeds under the Article 6(4) mechanism.

Another contentious issue under Article 6(2) is whether the mitigation outcomes to be transferred can be measured in any metrics other than the metric tonnes of carbon dioxide equivalent (tCO2eq), which are consistent with the NDCs of the participating Parties. At COP 25, developed countries (but not including Japan) and the Alliance of Small Island States (AOSIS) were opposed to having any metrics other than tCO2eq, while some developing countries such as the LMDC, the Arab Group, India, and South Korea were in support of the use of other metrics as well. At COP 26, developing countries are expected to call for balanced treatment between GHG and non-GHG metrics so that the non-GHG metrics are not disadvantaged while the GHG metric ITMOs will be able to be exchanged immediately upon their operationalisation.

Another contentious issue is in relation to reporting and review under Article 6(2). Some developing countries want a robust reporting and review mechanism for Article 6(2) in order for the bilateral agreements to not become more advantageous than the Article 6(4) mechanism. They are likely to call for environmental integrity in relation to exchange of ITMOs under Article 6(2).

In relation to the Article 6(4) mechanism, the biggest sticking points are around the transition of Clean Development Mechanism (CDM) projects and the transition of the certified emission reduction units (CERs) under the Kyoto Protocol to the Article 6(4) mechanism. While bridging proposals exist to find possible compromises, there are likely to be differences as to whether there will be a selective approach in deciding what kind of projects will be allowed to transition from the CDM to Article 6. Some developing countries are likely to call for all projects with active credits to be able to transition to the new mechanism, with objections to be expected over concerns over the effect of the CERs on mitigation ambition and environmental integrity. There are bridging proposals that suggest a cap on the transition of the CERs via a cut-off date and on the quantity of CERs that can be allowed.

There are also issues around baselines and additionality, which is about the basis on which emission reductions are calculated under the Article 6(4) mechanism. This involves the question over how to determine whether an activity is additional to what would otherwise have occurred, and if so, against what level the emission-reducing action would be compared to, such that the resulting credits can be calculated.

For Article 6(8) on non-market approaches, the contentious issue is around how to implement the non-market approaches. Developed countries want to restrict non-market approaches to a knowledge-sharing platform, whereas developing countries' preference is to expand the non-market approaches to operationalise the implementation of the several elements thereunder such as finance, technology transfer and capacity-building. Some developing countries have been calling for a balanced treatment of all the approaches under Article 6 and for them to be operational and usable for countries.

THE ENHANCED TRANSPARENCY FRAMEWORK OF ACTION AND SUPPORT

Under Article 13(1) of the PA, Parties agreed to the establishment of an enhanced transparency framework (ETF) for action and support, with built-in flexibility for developing countries to be taken into account due to their different capacities on reporting obligations.

At COP 24, the rules for the ETF were adopted, which provide comprehensive requirements regarding the information that must be reported by Parties in relation to their NDC implementation and how this information would be considered. It was also decided that Parties shall submit their first biennial transparency report (BTR) and national inventory report (NIR) in accordance with the rules, at the latest by 31 December 2024. Parties had also agreed that the BTRs, the technical expert review and the facilitative multilateral consideration of progress are prepared and conducted in accordance with the rules.

The CMA requested the SBSTA to undertake further technical work on a number of issues in relation to how the information to be reported and reviewed should be organised and presented, and how programmes for the training of experts taking part in reviews should be elaborated. The task of the SBSTA is to produce the operational tools for Parties to be able to implement the agreed ETF, which comprises common reporting tables and common tabular formats.

A key issue in developing these common reporting tables and formats would be on how the flexibility provided to developing countries that need it could be reflected in the different outlines and made operational effectively. Progress was not made in COP 25 in Madrid and there were disagreements over the proposed SBSTA conclusions. Divergences are expected to continue in relation to how flexibility is provided to developing countries.

GLOBAL STOCKTAKE

Another item as regards the sources of input for the global stocktake (GST) under the PA is expected to be heated under the SBSTA. The first GST, which will take place in 2023, is to assess the collective progress of Parties in achieving the PA goals, including on mitigation, adaptation and the means of implementation and support.

CMA 1 invited the SBSTA to complement the non-exhaustive lists of sources of input for the GST, at its session held prior to the information collection and preparation component of the stocktake, as appropriate, taking into account the thematic areas of the stocktake and the importance of leveraging national-level reporting.

The SBSTA has since conducted work on the matter informally and its Chair prepared an informal note to capture the progress of work. At COP 26, Parties are expected to discuss the sources of input further and whether to close the list of sources or to keep it open. Developing countries are expected to push for keeping the list open, given that work on the substanceof related matters such as climate finance definition, global goal on adaptation, transparency and common time frames for NDCs is still ongoing and may have a bearing on the inputs for the GST.

(Para 36 of decision 19/CMA.1 decided that the sources of input for the GST will consider information at a collective level on a number of areas including the state of GHGs and mitigation efforts by Parties; the overall effect of Parties' NDCs; the state of adaptation efforts; the finance flows and means of implementation and support and mobilisation and provision of support; efforts to enhance understanding, action and support related to averting, minimising and addressing loss and damage; barriers and challenges faced by developing countries; and fairness considerations, including equity, as communicated by Parties in their NDCs. Para 37 of the same decision decided that the sources of input for the GST include reports and communications from Parties; the latest reports of the IPCC; reports of the Subsidiary Bodies; reports from relevant constituted bodies and forums; voluntary submissions from Parties including on inputs to inform equity considerations under the GST, among other things.)

COMMON TIME FRAME FOR NDCS

At COP 24 in 2018, it was agreed that Parties "shall apply common time frames to their NDCs to be implemented from 2031 onward". The SBI was tasked with considering this matter, which it did, and a draft decision with several options was discussed at COP 25. Parties are divided on whether to have just one time frame of five years, or to also allow a10-year time frame, with some variation in between of "5 years plus 5 years". With no consensus on the matter at COP 25, the Glasgow talks will continue to discuss the matter with the existing divergences on the table.

MATTERS RELATING TO THE FORUM ON THE IMPACT OF THE IMPLEMENTATION OF RESPONSE MEASURES

The impact of implementation of response measures is understood as the effects arising from the implementation of mitigation policies and actions taken by Parties under the Convention, the KP and the PA, and how these mitigation policies/ actions could have impacts on countries, particularly developing countries, including cross-border impacts. COP 17 (in 2011) established a forum on the impact of the implementation of response measures.

COP 24, CMP 14 and CMA 1 acknowledged that a single forum on the impact of the implementation of response measures covers the work of the COP, the CMP and the CMA on all matters relating to the impact of the implementation of response measures and affirmed that the forum shall report to the COP, the CMP and the CMA. Further, COP 25, CMP 15 and CMA 2 adopted the six-year workplan of the forum on the impact of the implementation of response measures and its Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI). The KCI was established to support the work programme of the forum on the impact of the implementation of response measures.

At COP 26, developing countries are expected to push for the workplan on response measures to be implemented in its entirety and ensure progress is made on the technical work in relation to the development of tools and methodologies to assess the impact of response measures. There is also likely to be discussion on the recommendations stemming from the KCI to the forum, and how the recommendations make their way to a decision at the COP, CMA and CMP as well as form a basis for inputs to the GST.

MATTERS ON CLIMATE FINANCE

There will also be several important issues to be discussed in relation to climate finance under the COP and the CMA. These will be dealt with in a separate article to follow.

Given the issues above, the Glasgow talks are unlikely to be easy and its outcomes will be keenly watched and debated.

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Glasgow News Update 2

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The major finance issues for the Glasgow climate talks

Glasgow, 31 October (T Ajit) – There are several important matters related to climate finance on the agendas of COP 26 and CMA 3, as well as under the meetings of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

We set out below some of the key issues to be discussed during the two-week duration from 31 October to 12 November.

USD 100 BILLION GOAL

Two key events are planned, which are expected to deliberate on the delivery of USD 100 billion per year by 2020, which is critical for the success of Glasgow. This 2020 finance goal got shifted to 2025 in Paris. The events include the fourth biennial high-level dialogue on long-term climate finance planned for 4 November and first high-level ministerial dialogue on climate finance under the CMA on 8 November. At issue will be if the pledges of further finance from developed countries will be realised in real terms.

LONG-TERM CLIMATE FINANCE (LTF)

At COP 25 in Madrid, a key issue under the LTF was a proposal by developing countries, led by the G77 and China, for its continuation beyond 2020 with COP 26 agreeing on its modality, along with a status report on the USD 100 billion per year by 2020 goal. Developed countries on the other hand had opposed the continuity of the LTF discussions beyond 2020, given that this is a process under the Convention and that the Paris Agreement deals with the post-2020 time frame.

Developing countries countered this saying that the issue of LTF does not end in 2020. With no consensus at COP 25, rule 16 of the UNFCCC's Rules of Procedure was applied, which means that any item on the agenda whose consideration was not completed at a session would be included automatically in the agenda of the next session. Discussions are likely to be contentious over the continuation of the LTF under the COP as well as the focus of the work under the LTF.

NEW COLLECTIVE QUANTIFIED GOAL ON FINANCE

In the decision adopted at COP 24, Parties had agreed to initiate in 2020, deliberations on setting a new collective quantified goal from a floor of USD 100 billion per year. In the same decision, Parties had also agreed to consider in their deliberations "the aim to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".

Since Parties did not meet in 2020 due to the COVID-19 pandemic, discussion on the goal will be key at COP 26. Developing countries are expected to call for a roadmap to be agreed towards setting the new collective quantified goal. Also, proposals by developed countries asking developing countries to also contribute to the goal are likely to be contentious, since under the Convention and the Paris Agreement, it is the obligation of developed countries to do so, and not developing countries.

MATTERS RELATED TO THE STANDING COMMITTEE ON FINANCE (SCF)

Discussions on SCF matters would be focused on the review of the functions of the SCF and the COP is expected to make recommendations on all aspects of its work, which include the SCF's two flagship reports i.e. the biennial assessment and overview of climate finance flows 2020 (BA 2020) and needs determination report of developing countries (NDR). Guidance to the Green Climate Fund (GCF) and Global Environment Facility (GEF), the operating entities of the Financial Mechanism of the Convention, is also likely to be discussed as part of the review of the functions of the SCF.

Both the reports as well as guidance to the GCF and GEF are expected to be challenging for developing countries.

The NDR report is a historic report since this is the first-ever report on the determination of the needs of developing countries for implementation of the Convention and the Paris Agreement. The report states that the finance needs of developing countries are in trillions of US dollars. According to the executive summary of the NDR, "NDCs from 153 Parties…cumulatively amounting to USD 5.8 trillion to USD 5.9 trillion up to 2030. Of this amount, USD 502 billion is identified as needs requiring international sources of finance and USD 112 billion as sources from domestic finance." (See related TWN Update.) Following the adoption of the report, the US SCF member had objected to forwarding the report to the COP. It can be expected that there will be discussions on the report of the SCF as well as recommendations emerging from the NDR report.

In relation to the BA 2020, the SCF failed to send recommendations to the COP and CMA owing to differences in the committee over whether the SCF should continue to work on the operational definition of climate finance as well as recommendations on making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development referred to in Article 2.1(c) of the Paris 2 Agreement. (See related TWN Update.)

The BA 2020, which provides an updated overview of climate finance flows in 2017 and 2018, revealed that the total public financial support provided by developed countries in their biennial reports (BRs) amounted to USD 45.4 billion in 2017 and USD 51.8 billion in 2018. It also showed that mitigation finance constituted the largest share of climate-specific financial support through bilateral channels at 65% and the share of adaptation finance increased from 15% in 2015-2016 to 21% in 2017-2018. The report also revealed that "Adaptation finance has remained at between 20 and 25% of committed concessional finance across all sources, showing little movement since the previous BA".

It is likely that discussions around further work on the operational definition of climate finance and Article 2.1 (c) of the Paris Agreement will be central as regards the BA.

On the guidance to the operating entities, the SCF could not agree on forwarding draft guidance to the COP because of differences in views among its members. Developed countries can be expected to question the SCF's role in continuing to give guidance to the operating entities.

The guidance to the GCF and GEF are separate agenda items under the COP and CMA. Discussions particularly on the guidance to the GCF are expected to be difficult, primarily on a range of issues as regards facilitating easier access to climate finance, imposition of unnecessary conditions on funding proposals by the GCF Board as well as imposing conditions on entities that apply for accreditation to do business with the Fund, and adaptation funding proposals being delayed or denied funding due to the lack of "climate rationale", among other issues. (See related TWN Update.)

BIENNIAL COMMUNICATIONS OF INFORMATION RELATED TO ARTICLE 9(5) OF THE PARIS AGREEMENT

Article 9.5 of the Paris Agreement mandates developed countries to biennially communicate indicative quantitative and qualitative information on the provision and mobilisation of projected levels of public financial resources to be provided to developing countries.

The first biennial in-session workshop on the biennial communication of information in this regard was organised in June this year, following which the Secretariat released a summary report. During the workshop, participants shared views on the information included in the first biennial communication and discussed how to improve the predictability and clarity of information on financial support for implementing the Paris Agreement. Developing countries had expressed then that the information provided by developed countries was still not adequate enough to enable them in their climate action plans.

COP 26 will look at the workshop report and take a decision that is likely to influence future biennial communications. Developing countries are expected to highlight that their needs and priorities must be considered in this regard.

ADAPTATION FUND

Discussions on the Adaptation Fund (AF) matters will convene under the SBI. There are primarily two issues; one in relation to the membership of the AF Board and the other on the fourth review of the AF.

On the membership of the AF Board, the discussion is around changing the composition of the Board. Currently, developing countries hold the majority seats on the AF Board and the discussion on changing the composition stems from expanding the membership to include Parties to the Paris Agreement. (The current members of the AF Board are Parties to the Kyoto Protocol and since the AF now serves the PA, Parties to the PA who are not Parties to the KP, such as the US, Canada, Australia and Japan, want a say in matters of the AF.)

In relation to the fourth review of the AF, developing countries are expected to raise the issue of predictable sources of funds. Earlier reviews of the AF have concluded that the Fund works well but does not have any reliable source of income. The AF used to rely on a 2% share of proceeds from Certified Emission Reductions (CERs) issued under the KP's Clean Development Mechanism, but with the fall in the prices of CERs, the Fund relies largely on voluntary contributions from developed countries.

TRANSPARENCY OF SUPPORT

Matters on transparency of support of the Paris Agreement's Enhanced Transparency Framework will be discussed under the SBSTA. Key matters include avoiding additional burdens on reporting by developing countries (such as project level data) and how developed countries reflect grant equivalency in their reporting. Including information on the grant equivalency of the financial instruments used was a hard-won fight for developing countries at COP 24 (see related update) and discussions on how the reporting tables capture such information will be important at COP 26.

(In 2020, Oxfam had released a report titled, "Climate finance shadow report 2020: Assessing progress towards the $100 billion commitment". The report had stressed on how numbers change when calculated on a grant equivalence basis and gave examples of contributions by Japan and France which had reported climate finance support to developing countries worth USD 9.7 billion and USD 4.8 billion. The numbers when calculated on a grant equivalent basis changed to about USD 5 billion and USD 1.3 billion respectively. See related update.)

For developing countries, the success of Glasgow will depend on how the issues related to climate finance are resolved and what decisions/ outcomes will be delivered in concrete terms. Making more promises will not be sufficient. What is needed are clear deliverables.

TWN
Glasgow News Update 3
www.twn.my Published by Third World Network 1 November 2021

Glasgow climate talks kick off

Glasgow, 1 November (Prerna Bomzan) – The climate talks in Glasgow kicked off on 31 October following the adoption of agendas for the various meetings under the UNFCCC, Kyoto Protocol (KP) and the Paris Agreement (PA). Work under the various bodies was launched as world leaders began to arrive for the summit which will take place Monday, 1 November.

The morning of the first day of the talks saw **Alok Sharma** of the **United Kingdom (UK)** presiding over the adoption of the revised provisional agendas of COP 26, the 16th session of the KP Parties (CMP 16) and the third session of the Conference of Parties to the PA (CMA 3). Prior to the adoption of the agendas, there was an opening ceremony (see further details below).

The work of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) also commenced following the convening of meetings by the Subsidiary Bodies (SBs) in the afternoon. This was followed by a joint-plenary session, presided over by Sharma to hear statements from Parties on their expectations for the talks (separate article will follow).

Prior to the adoption of the revised COP 26 provisional agenda, **Bolivia** in an intervention lambasted developed countries for their lack of ambition to reduce emissions, urging them further to cease emissions to zero with complete decarbonisation given their historical responsibility for global warming and their resulting climate debt owed to developing countries.

Bolivia intervened in response to the removal from the revised provisional agenda of its proposal for an agenda item on *"Equitable, fair, ambitious and urgent real emission reductions now consistent with a trajectory to reduce the temperature below 1.5°C"*.

The Bolivian proposal appeared in the first draft of the provisional agenda but was taken out due to an absence of consensus, which it stressed reflected badly on developed countries displaying "empty" words of ambition and "no determination" on taking practical action. (TWN has learnt that the United States was among those who were opposed to the Bolivian proposal.)

While presenting the revised provisional agenda, COP 26 President **Sharma** said that the UK had committed to facilitating a "decision" to keep 1.5°C within reach on the overarching cover decision and had informed that the issue would also be addressed through events such as the World Leaders Summit and the special event by the Intergovernmental Panel on Climate Change (IPCC).

Bolivia in its intervention had said that "A COP cannot ignore the main cause of climate change and global warming" and referred to the industrial revolution when developed countries used up resources and their share of the carbon budget. It said that the "net zero" slogan is being used by these polluting countries to evade their responsibility and above all, the developed countries are putting pressure on other Parties to change the objective and goal of the PA since this "new goal" of net zero for "all" countries by 2050 is not in the PA and actually counters the "letter and spirit" of the PA.

Bolivia underscored that the net zero emission strategies for all countries by 2050 did not take into account "climate justice and equity" and was therefore a "major injustice" and blow to the concept of "common but differentiated responsibilities" (CBDR) based on equity. This will also exacerbate the inequality and gap between developed and developing countries, it said, and instead called for drastic emission cuts by developed countries well before 2050 since they share the "largest burden" and they need to take "leadership".

"Developed countries have not lived up to their commitments," it reiterated in reference to the legally binding commitments of the KP adopted in 1997 and with the Annex 1 countries only achieving "insignificant cuts" in emission rates, and the US abandoning the KP altogether. Additionally, it regretted the ratification delays of the second commitment period (2013-2020) of the KP which finally came into force only on the last day of 2020, which once again pointed to a "lack of ambition" by developed countries.

Bolivia suggested forming a "taskforce or working group" that would identify those parts of the carbon budget used by Annex 1 countries based on equity and CBDR and further urged developed countries to "increase their ambition" instead of using a net zero solution as a global or blanket approach. It also stressed that Annex 1 countries need to compensate developing countries in order to ensure that the process is "just and equitable" in relation to the carbon budget, as well as provide capacity-building.

In conclusion, Bolivia hoped to find a "space in this COP" on the issue calling for "urgent and equitable action for real and meaningful reduction to keep temperature below 1.5°C", reiterating the need for "extraordinary actions" by Annex 1 countries to show "actual ambition" and "actual action".

COP 26 President **Sharma** (**UK**) in response "committed" to facilitating on the issue as part of "Presidency-led consultations" and said that there are a number of events where this item would be covered as previously mentioned.

Prior to the adoption of the revised provisional agendas of the COP and the CMA respectively, Sharma provided clarification and explanation on the revisions made, based on "intensive" consultations conducted and feedback received by the Presidency on other proposals by Parties as follows:

i. Turkey had shown "flexibility" by withdrawing its proposal to *"delete the name of Turkey from the list of Annex 1 to the Convention"*.

ii. The proposal by Bolivia to include *"All matters of adaptation"* and the proposal by Gabon on behalf of the African Group to include an item in the CMA on *"Matters related to adaptation"* now read under the CMA as agenda item *4(a) Reports of the Adaptation Committee (for 2019 and 2020)* and *4(b) Report of the Adaptation Committee (2021) and the work on the global goal on adaptation.*

iii. A proposal by Gabon on behalf of the African Group that each item under the Standing Committee on Finance be reflected as separate sub items, now reads under the COP as *8(b) Matters relating to the Standing Committee on Finance* and under the CMA as *8(a) Matters relating to the Standing Committee on Finance* with a "footnote" that would read *recognising the proposal received from Gabon on behalf of the African Group on 17 August 2021,* with a link to the letter from Gabon containing the proposal. Presidency consultations would be held on these sub items.

Sharma informed that on the following matters he would engage in "alternative forms of consultations rather than include them in the agendas":

i. On the proposal by Gabon on behalf of the African Group to include a new item under the CMA entitled *"Special needs and special circumstances of Africa"*, he proposed to hold Presidency consultations and these consultations would report back to him including on a "possible way forward".

ii. On the proposal by Bolivia to include an item under the COP entitled *"Equitable, fair, ambitious and urgent real emission reductions now consistent with a trajectory to reduce the temperature below 1.5°C"*, he committed to "facilitating discussions on the urgent actions required to keep 1.5 degrees within reach as part of the Presidency led consultations on the over-arching cover decisions". He further informed that this issue would also be addressed through special events, namely, the World Leaders Summit (1-2 November), the IPCC headline event (9 November) and the information event on the NDCs synthesis report (3 November).

iii. On the proposal by Switzerland for the item under the CMA entitled *"Reporting and review pursuant to Article 13 of the Paris Agreement: provision of financial and capacity-building support to developing countries"*, he would "create space" through Presidency consultations and address the concerns raised by the Environmental Integrity Group.

Sharma further proposed that the following requests be addressed under existing agenda items:

i. On the proposal by Georgia to include an item under the COP entitled *"Achieving equitable geographic representation in the composition of constituted bodies under the Convention",* the matter be addressed under agenda item *2(d) Election of officers other than the President*.

ii. On the proposal by Bolivia to include an item under the CMA entitled *"Stocktake on* *financial support and means of implementation for alternative policy approaches such as joint mitigation and adaptation approaches for the integral and sustainable management of forests"*, he proposed that Parties consider this matter in the context of deliberations related to the Standing Committee on Finance and guidance to the Green Climate Fund and further committed to "following up" after COP 26 with both entities on their "mandated work" on financial support and means of implementation for alternative policy approaches.

Sharma informed that following consultations, he proposed "not to include" the proposal by Gabon on behalf of the African Group entitled *"The third commitment period of Annex B Parties to the Kyoto Protocol in accordance with its Article 3, paragraph 9, and the entry into force and completion of the Kyoto Protocol second commitment period"* in the CMP agenda.

Under COP agenda item 7 and CMA agenda item 7 with regard to *Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts*, he proposed to hold Presidency consultations.

In response, **Timor Leste** intervened with regard to the agenda under the COP and CMA on the Warsaw International Mechanism for Loss and Damage, calling for an assurance that both the COP and CMA will receive reports from both Subsidiary Bodies to which Sharma recalled his proposal to hold Presidency consultations as mentioned earlier.

Venezuela raised its specific concern on "external elements" that have an adverse effect on its implementation of the PA, referring to the unilateral and coercive measures (UCMs) and requested for a "space" on UCMs on both the COP and CMA agendas, to which Sharma assured that there are a number of places in the existing agendas to raise the concern.

The COP 26 agenda was then adopted, followed by the CMP16 and CMA3 agendas.

AT THE OPENING CEREMONY

The opening ceremony saw statements by COP 25 President Carolina Schmidt, who is the Chilean Minister of Environment; Susan Aitken, Leader of Glasgow City Council; UNFCCC Executive Secretary Patricia Espinosa; Abdulla Shahid, President of the UN General Assembly; Hoesung Lee, Chair of the Intergovernmental Panel on Climate Change and India Logan-Riley, Maori climate activist from New Zealand.

Carolina Schmidt highlighted three areas relating to ambition, finance and rules. She said there is a great gap in ambition in terms of emission reductions and on finance, the need not only for a new level of financial resources by 2025 but also to close the gap of the USD 100 billion per year pledge by 2020. On rules, she said that the most important issue will be the Enhanced Transparency Framework under the PA, without which there would be no Article 6. She said that the COP process is based on "trust" and also on the "CBDR" principle.

Patricia Espinosa called upon Parties to "recapture the spirit of multilateralism" that adopted the PA and fulfil commitments under it. She stressed the need for finance and to mobilise in trillions as without necessary support it was not possible to embark on the transformation needed to achieve the 1.5°C temperature limit, further emphasising a significant increase of financial support towards adaptation.

Hoesung Lee said that the first part of the IPCC's ongoing Sixth Assessment Report on "Physical Science" which was released in August clearly laid out the most up-to-date physical science and it reflects the magnitude of collective challenge for all nations on this planet. He said that it is now "unequivocal" that human influence is causing climate change and stressed on climate action as "we share one atmosphere and one climate system".

Abdulla Shahid highlighted the current existential crisis and critiqued that "we have the capacity and resources but simply are not doing enough", which is the hard truth. He focused on adaptation and the need to ensure a 50:50 split in terms of finance between adaptation and mitigation.

India Logan-Riley delivered a hard-hitting impassioned speech exposing colonialism and extractivism of the Global North, calling for responses based on a rights-based framework rooted in justice and care for communities. She said that finance must be redistributed and that richer countries have to commit to deep emission cuts rather than relying on markets and false solutions.

TWN Glasgow News Update 4

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Parties express expectations for Glasgow outcomes

Glasgow, 1 November (Evelyn Teh) – At the joint-plenary session convened on 31 October at the climate talks, various groupings highlighted their key expectations for outcomes in Glasgow.

Guinea, on behalf of the **G77** and **China**, raised the importance of climate finance as critical for success at COP 26 and for the effective implementation of the Paris Agreement (PA). Hence, there is a need for "tangible actions from developed countries at this COP that translate into enhanced climate finance flows that are demand-driven and responsive to the needs of developing countries. These include real progress in our negotiations relating to the new finance goal." This includes technology development and transfer and capacity-building, which are crucial enablers of climate action. These provisions, including the establishment of new collective quantified finance goals, must be transparent, new, additional and predictable, and consider the actual needs and priorities of developing countries for climate mitigation and adaptation, the group said.

The G77 emphasised that adaptation is a critical priority for developing countries and must be treated in a balanced manner compared to mitigation actions, which means that the global goal on adaptation under the PA must advance. "COP 26 should see scaled-up provision of public, grant-based finance by developed countries to developing countries for adaptation action, including to formulate and implement National Adaptation Plans (NAPs)."

On the technology mechanism, it said that it must be strengthened, which includes enhanced efforts and support to the Climate Technology Centre and Network (CTCN) by developed countries through financial and other resources provided.

On loss and damage, the G77 stated that the treatment under the COP and the CMA (Parties under the PA) must be balanced to reflect their joint governance, adding that COP 26 should deliver on addressing the loss and damage-related needs of developing countries, especially for enhanced action and support in relation to loss and damage, including financing and technology transfer, through the Executive Committee (Ex-Com) of the Warsaw International Mechanism (WIM) and an operational Santiago Network.

Concerning Article 6 of the PA, the Group expressed that there was a need for a balanced outcome (on aspects of Article 6). In addition, the Group looked forward to the start of the first global stocktake (GST) under the PA (in 2023), and it is expected that there should be diverse, balanced and comprehensive inputs for the GST in all thematic areas, particularly from developing countries.

Bolivia, speaking for the **Like-Minded Developing Countries** (**LMDC**), highlighted the unprecedented combination of multiple crises experienced in the world today, which is particularly devastating for the developing world.

"The responses to this have meant the diversion of national budgets and increased borrowings for many developing countries, raising the level of indebtedness. This coupled with the vaccine inequity between the developed and developing world and the continuing and deepening economic crisis in developing countries have compounded those challenges of ensuring sustainable development, eradicating poverty and addressing climate change, especially in the wake of devastating adverse impacts from floods, droughts and other climatic effects."

The LMDC referred to the history of broken promises by the developed countries, which undermines the multilateral system. This is evident in the delays of ratification among many developed countries, making the Doha Amendment to the Kyoto Protocol (KP) for its second commitment period come into effect only on the last day of 2020. Not only was the ambition level not raised, as agreed in Doha in 2021, but developed countries have also, in fact, increased their emissions between 1990 and 2020, said the LMDC. “This, together with the refusal of some developed countries to assume new targets under the KP, highlights their lack of mitigation ambition,” it stated further.

With regard to the delivery of climate finance, the LMDC stated that the developed countries’ pledge made in 2009 to mobilise USD 100 billion per year by 2020 has fallen short, and in Paris, the 2020 time-line to deliver on the USD 100 billion was shifted to 2025. Although there is no assurance that this would be reached or with higher ambition by the developed countries, developing countries are requested to raise their ambition on climate actions, it added further.

The LMDC also stated that despite developed countries’ lack of ambition shown in the pre-2020 period, as well as in their PA nationally determined contributions (NDCs), major developed countries are now pushing to shift the goal posts from what has already been agreed by calling for all countries to adopt net zero targets by 2050. This new “goal” which is being advanced runs counter to the PA and is anti-equity and against climate justice. The LMDC added that demands for net zero emissions for all countries by 2050 will exacerbate further the existing inequities between developed and developing countries.

In line with that, the LMDC stated that the current challenges faced by developing countries require “intensified multilateral cooperation, not intensified global economic and geopolitical competition and trade wars. This includes, in particular, developed countries honouring their long-standing obligations under the UNFCCC and its PA, including on the provision of climate finance, technology transfer and capacity building to the developing countries.” The Group added that unilateral coercive measures against developing countries and proposals by developed countries to introduce unilateral carbon border adjustment measures in the name of climate change responses are discriminatory towards developing countries and violate international trade rules and the principles of equity and the UNFCCC provisions.

Gabon, on behalf of the **Africa Group**, raised a proposal to consider Africa’s special needs and circumstances based on science. “The WMO report on ‘State of Climate Africa’ provides climate-induced changes to physical and biological systems are being felt and exerting considerable stress on the African’s vulnerable sectors.” It stated further that the COVID-19 pandemic has exacerbated the impact on the health and the economy of Africa, affecting the already highly volatile markets, contracting the GDP of the continent by up to 3.4% with an estimated loss of between USD 173.1 billion and USD 236.7 billion for the years 2020-2021, thereby reducing the capacity of African countries to adapt to climate change. Therefore, the Group looked forward to working with all Parties to find a resolution and balanced outcome that recognises these special needs and circumstances. The Africa Group also stated that its continent contributes only 4% of the total global emissions and have already communicated their ambitious NDCs. It called on developed countries with higher emissions to communicate ambitious NDCs with long-term targets for reaching net zero by 2050 in line with the principles of equity and common but differentiated responsibilities (CBDR), adding that Annex I Parties have not met their pre-2020 mitigation targets while some have increased their emissions.

It also emphasised the importance of establishing a global approach on the PA’s Article 2.1(c) (on climate finance flows) to ensure the inclusion of the just transition as part of the pathway and increasing access to mobilised and provided climate finance for all African countries, which recognise the national circumstances of developing countries and manage transition risks. It also raised a concern about the imposition of unilateral policies and other conditionalities on the access to Green Climate Fund (GCF) resources.

On matters related to Article 6 of the PA (on (market- and non-market-based cooperative approaches), the Group stated that the share of proceeds (SoPs) from these mechanisms should finance adaptation action, where 2 to 5% of the SoPs from the Article 6.4 market mechanism and Article 6.2 cooperative approaches must be channelled through the Adaptation Fund.

India, on behalf of the **BASIC** (**Brazil, China, India and South Africa**), emphasised on giving full effect to the implementation of the principles of equity and CBDR-RC and recognised the very different national circumstances of Parties. “Developing countries must be accorded time, policy space and support to transition towards a low emissions future,” it said, adding that COP 26 must aim for higher global ambition on all three pillars of the PA, along with recognising Parties’ differing historical responsibilities and the severe developmental challenges faced by developing countries, compounded by the COVID-19 pandemic.

It stated that based on the latest available science, all Parties need to immediately contribute their fair share regarding the long-term temperature goal and achieving this would require developed countries to rapidly reduce their emissions and dramatically "scale up" their financial support to developing countries.

With regard to climate finance, it stated that a significant achievement at COP 26 is to have "a clear roadmap by developed countries on their continued existing obligations to mobilise USD 100 billion per year from 2021 to 2025, which should be fully considered with the transparency, including the transparent, predictable information, and the balance of mitigation and adaptation with substantive action by developed countries, and willingness to urgently initiate the process within the UNFCCC on setting the new collective quantified goal on finance, including a detailed roadmap outlining milestones for setting a goal prior to 2025".

In addition, India also stated that the negotiating track on adaptation, within the subsidiary bodies, should provide guidance for the operationalisation of the Global Goal on Adaptation (GGA), and that the Enhanced Transparency Framework (ETF) should have a balanced outcome that helps to strengthen the transparency within the UNFCCC, without leaving out the much-needed flexibility for developing countries in accordance with their national circumstances and capabilities.

Antigua and Barbuda, on behalf of the **Alliance of Small Island States (AOSIS)**, called on Parties to submit their enhanced NDCs and requested a formal platform to take stock of commitments and progress towards the 1.5°C goal as well as the real gap and the consequences of this gap. It also raised the concern that developed countries have failed to deliver on their 2009 commitment to provide and mobilise USD 100 billion per year by 2020 for developing countries, adding that USD 100 billion by 2023 is three years too late, where the finance gap will be USD 40 billion by then.

To add insult to injury, AOSIS stated that over USD 1.6 trillion went to subsidising fossil fuel since the adoption of the PA and asked for a decision at COP 26 to call for phasing out all fossil fuels subsidies in major economies by 2023. Meanwhile, financing for SIDS specifically decreased by USD 600 million from 2018 to 2019, from USD 2.1 billion in 2018 to just USD 1.5 billion in 2019. For what was made available, they are made to jump through hoops against unfair criteria. It raised a reminder that climate finance is not charity, adding that there are no donors in this process but this is about climate justice.

The AOSIS Group also added that adaptation finance should be grant-based, predictable and accessible, and demanded concrete outcomes on financial reports for loss and damage in SIDS here in COP 26. It stated that financing for loss and damage is separate and additional to the annual USD 100 billion pledged for mitigation and adaptation.

Saudi Arabia, on behalf of the **Arab Group**, stated that while the COVID-19 pandemic continues to shake our daily lives, multilateralism is essential to ensure that we are on the path of sustainable development for all. For COP 26 to be a success, it needs to be balanced and must ensure that all the outstanding issues in the PA are dealt with equitably in an impartial way.

It placed a focus on several matters, which included response measures, in that constraints imposed by the pandemic have had impacts on the results of COP 25 and the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI), adding that the KCI Plan of Action which was delayed needs to be extended.

On Article 6, it called for all sub-items to be treated in a balanced and equal fashion.

With regard to scientific research, the aim to achieve carbon neutrality runs counter to the goal of the PA and UNFCCC because responding to climate change needs to be done integrally, taking into account sustainable development and poverty eradication priorities of developing countries.

Bhutan, on behalf of **Least Developed Countries (LDC)**, stated that leaders must make enhanced commitments that strengthen 2030 emission reduction targets to be consistent with 1.5°C and reflect each country's fair share of the global effort. "Countries must also come forward with long-term, low emissions development strategies that map the path to net zero global emissions by 2050. Developed countries must provide confidence in the mobilisation of finance to the most vulnerable countries." It stated that the decade-long delay in delivering the climate finance goal of USD 100 billion per year by 2020 is disappointing. Therefore, "the amount of finance, access, adequacy, and quality of funding are critical issues that require space in these negotiations."

It also called for ensuring support for loss and damage and said the finance for it will be critical in Glasgow, hence calling for a decision to operationalise the Santiago Network. It also looked forward to delivering on the Article 6 mechanism to lead to the overall reduction of global emissions post 2020 era while ensuring a fair share of proceeds for adaptation actions that aren't double-counted nor carried over from the KP and with environmental integrity that represents true reductions.

Argentina, on behalf of **Argentina, Brazil and Uruguay (ABU)**, also emphasised that the climate finance agenda is crucial for the full implementation of the PA and for post-COVID-19 recovery. COP 26 will mark the beginning of the discussion on how to set and achieve the new post-2025 collective financing target. Financial resources that are new and additional and provided continuously are crucial, it added. It called for the establishment of a body to work on policies which should be a technical body with equal representation from developed countries and developing countries to make progress on the target for 2025. It also called for a clear roadmap on loss and damage that will facilitate the implementation of the Santiago Network on Loss and Damage. It stressed further that it did not believe in creating new categories for countries different from those in the UNFCCC and the PA.

It also said that decisions on Article 6 should tackle pending issues such as the use of cooperative approaches to guarantee environmental integrity and funds available to help developing countries meet adaptation costs.

Peru, on behalf of the **Independent Alliance of Latin America and the Caribbean (AILAC)**, stated that the COVID-19 pandemic showed decisive actions to deal with a global emergency can be taken and therefore, urgent action based on scientific information is needed. On the common time frames for NDCs, it said that it had to be consistent with the obligation of periodic progression of the short-term ambition of the NDCs, which must be governed by the best available science, in line with the five-year cycle marked by the Global Stocktake. It also emphasised the delivery of financing for adaptation and for loss and damage, and for the operationalisation of the Santiago Network.

Switzerland, on behalf of the **Environment Integrity Group (EIG)**, stated that the COP 26 success will be measured in three areas: rules, finance and ambition. While Article 6 is an unprecedented opportunity to increase the ambition of NDCs beyond what could be possible without markets, the carbon market must not become a tool to compensate for lack of ambition. As for transparency, which is the backbone of the PA, the first report will not be perfectly complete, but we must learn from the exercise, and developing countries will have to be supported in this effort.

As for adaptation, the EIG said instead of discussing possible new targets, let us use the tools we have adopted, improve them, and focus on real action, implementation, and rapidly increasing support. On the finance issue, it expressed disappointment that the objective has not been achieved and that COP 26 must launch a process to define a new collective finance target for the period after 2025, adding that all countries that have the capacity to do so must support those who need it and assure all financial flows are aligned with the objectives of the PA. It called on especially the big emitters to submit ambitious NDCs that are aligned with the 1.5°C objective; as well as to submit long-term strategies that aim for net zero by 2050 at the latest as recommended by science, adding that the G20 has a particular role to play in that regard. It also said that it is time to phase out coal, tackle our dependency on fossil fuels, drastically reduce plastic use and abandon fossil fuel subsidies.

The **European Union** said that the IPCC has confirmed the extent of warming depends on future emissions; therefore, there is a need to immediately undertake strong emissions reduction and reach net zero around 2050. Quoting the UNEP synthesis report, the EU called for emerging economies that have not done so present their updated NDCs, which must be reflected in the political outcome at COP 26. The EU also stated that there should be robust rules under Article 6, fostering environmental integrity and avoiding double counting. This includes robust rules for Article 6.2 and setting Article 6.4 mechanisms. It also stated that COP 26 must conclude the ETF based on what was agreed in Katowice and the informal process since COP 25.

Australia, on behalf of the **Umbrella Group**, emphasised the need to send a strong forward-looking commitment to continue strengthening action in the 2020s to keep 1.5°C within reach. Other important elements included finalisation of the Paris guidance on markets, transparency on tabular formats, common time frames for NDCs, as well as work on adaptation, climate finance and loss and damage.

It also emphasised the completion of work on the ETF and called on Parties to be engaged in completing the mandates from COP 24, particularly in finalising tables of the GHG inventory and tracking progress towards NDCs. The Group also urged for the completion of Article 6, which is important if we are to benefit from the power of markets to build ambition and achieve the Paris goals. It also recognised the critical role climate finance plays in supporting countries to transition to a net zero future, adapt to the impacts of climate change and enhance nature-based solutions. It also mentioned that it will work with other donors on the delivery plan to provide clarity on their efforts and when the USD 100 billion goal will be achieved. It said further that there is a need to improve our collective efforts to ensure all countries and finance providers, both public and private sectors, are working to align finance flows with low emissions and climate-resilient development. It looked forward to initiating discussions on the new global finance goal, working on the Santiago Network on Loss and Damage.

Nicaragua said that the root of the climate problem is driven by the large capitalist economies through the destructive models of production and consumption. It said that the 10 largest emitting countries represent 83% of global emissions, while the 100 countries with the lowest emissions represent only 3%. It said that the group did not agree with reaching carbon neutrality in the second half of the century, adding that this represents a huge step backwards from the 2°C and 1.5°C targets, as the 2050 target is too late.

It added that it is imperative that countries of the world adopt a model of civilisation that defends Mother Earth, and where nature and human beings are a totality – and the totality of Mother Earth to replace the anthropocentric model which subjects nature to the service of humans. Concrete results from COP 26 must be based on the CBDR principle, and illegal unilateral coercive measures must cease immediately. It also emphasised that loss and damage must be raised to equal importance as mitigation and adaptation. The commodification of Mother Earth must be avoided through the so-called cooperative approaches of Article 6 which include establishing carbon markets, said the group further.

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Leaders echo climate alarm, call for action now and finance

Glasgow, 2 November (Prerna Bomzan) – The World Leaders Summit, convened by Prime Minister Boris Johnson of the United Kingdom (UK), opened on 1 November as one of the key highlights of the 26th session of the Conference of Parties to the UNFCCC (COP 26) with attendance by over 100 Heads of State and Government as well as the British Royalty.

The opening ceremony of the Summit saw statements by the UK Prime Minister; UN Secretary-General Antonio Guterres; the Prince of Wales; Sir David Attenborough; Mia Mottley, Prime Minister of Barbados; Mario Draghi, Prime Minister of Italy; and young climate activists from Samoa, the Amazon, Chile, Egypt, Kenya and South Africa. The Summit continues till 2 November, comprising delivery of national statements by the Heads of State and Government.

Prime Minister **Johnson** in his opening statement sounded the alarm on global warming as a "ticking doomsday device" and the need to "deactivate" it, stressing that "while COP 26 will not be the end of climate change, it can and must be the beginning of the end of it". Recognising that climate change is "entirely man made", he said that "the longer we fail to act the worse it gets and higher the price", adding that "if we don't get serious about climate change today, it will be too late for our children to do so tomorrow".

Johnson went back to history, 200 years ago, "where the doomsday began to tick" referring to James Watt, the inventor of the steam engine, from Glasgow. "Industrialised countries were completely ignorant of the problem they were creating," acknowledged Johnson, further saying that "we in the developed world must recognise the special responsibility we have to help everybody else" to achieve the required transition to a "cleaner, greener future". He pointed out that governments alone cannot succeed and that "markets have hundreds of trillions" and therefore the need to identify projects to "derisk" so that the private sector can come in. In concluding his remarks, Johnson urged leaders to work together with all the "creativity" and "goodwill that we possess", saying that "yes, it's going to be hard but yes we can do it".

UN Secretary-General **Antonio Guterres** at the outset highlighted that "the six years since the Paris Climate Agreement have been the six hottest years on record" and that "our addiction to fossil fuels is pushing humanity to the brink". "It's time to say 'enough'," he emphasised, denouncing the way humans are "brutalising biodiversity" and "digging our own graves".

Guterres clarified that recent climate action announcements that give the impression of turning things around are "an illusion" as the latest published report on Nationally Determined Contributions (NDCs) showed that they would still "condemn the world to a calamitous 2.7 degree increase" and "even in the best case scenario, temperatures will rise well above 2 degrees", hence, "as we open this much anticipated climate conference, we are still heading for climate disaster".

He urged to keep the goal of 1.5°C alive, which would require greater ambition on mitigation and immediate concrete action to reduce global emissions by 45% by 2030. "According to the principle of common but differentiated responsibilities in light of national circumstances, developed countries must lead the effort," he underlined, but also added that "emerging economies too must go the extra mile" while the "G20 countries have a particular responsibility as they represent around 80 per cent of emissions". He calls on developed countries and emerging economies to "build coalitions to create the financial and technological conditions" and said that "these coalitions are meant to support the large emitters that face more difficulties in the transition from grey to green for them to be able to do it".

Guterres also clarified that "there is a deficit of credibility and a surplus of confusion over emissions reductions and net zero targets, with different meanings and different metrics". He said for this reason, he was announcing the establishment of a "Group of Experts to propose clear standards to measure and analyse net zero commitments from non-state actors".

In closing, he highlighted "adaptation" urging that "all donors must allocate half their climate finance to adaptation" starting with the public and multilateral development banks as well as ensuring the "USD 100 billion climate finance reality" to developing countries which he said is "critical to restoring trust and credibility". Additionally, he emphasised that "beyond the USD 100 billion, developing countries need far greater resources to fight COVID-19, build resilience and pursue development" and therefore called for "more public climate finance, more overseas development aid, more grants and easier access to funding".

The **Prince of Wales** opened his statement referring to the COVID-19 pandemic which has demonstrated "how devastating a global cross-border threat can be" and said that climate change and biodiversity loss pose an "even greater existential threat to the extent that we must put ourselves on a war like footing" to tackle the crisis. Referring to the recent report by the Intergovernmental Panel on Climate Change which presented a "clear diagnosis of the scale of the problem", he stressed on "reducing emissions urgently" adding that "putting a value on carbon is absolutely critical". "After billions of years of evolution, nature is our best teacher" and in this regard, "restoring natural capital, accelerating nature-based solutions and leveraging the circular economy will be vital to our efforts", he said.

The Prince of Wales underlined that the "scale and scope of the threat calls for global systems level solution based on radically transforming our current fossil fuel-based economy to one that is genuinely renewable and sustainable" and pleaded for countries to "come together" to take the action required. He pointed out that this will take "trillions not billions of dollars" and that "countries who are burdened by growing levels of debt simply cannot afford to go green", adding that "we need a vast military style campaign to marshal the strength of the global private sector". With trillions at its disposal, far beyond the global GDP, the private sector offers the "only real prospect of achieving the fundamental economic transition", he said.

Against the backdrop of telling visuals, popular environmentalist **Sir David Attenborough** reminded the audience that the stability of the last 10,000 years with the "global temperature not wavered by more than plus or minus 1°C" has now been threatened, blaming it on the burning of fossil fuels and destruction of nature at an "unprecedented pace and scale". He said that it is a story of "inequality and instability" since those who have "done the least are the hardest hit". He also lamented that it is a "tale of the smartest species doomed of failing to see the bigger picture" and appealed to "turn this tragedy into triumph", adding "we are, after all the greatest problem solvers". Attenborough urged to keep the temperature of "1.5°C within reach" and called for a "new industrial revolution powered by sustainable innovations" as essential.

Prime Minister **Mia Mottley** of **Barbados** highlighted climate finance as the key issue saying that failure to provide critical finance, and that of "loss and damage" is "immoral and unjust", and denouncing that the USD 100 billion commitment might only be met in 2023. She said that adaptation finance amounted to only 25% and not the "50:50 split that was promised", referring to the balance between mitigation and adaptation. She also informed that climate finance to the frontline small island developing states (SIDS) declined by 25% in 2019.

Mottley expressed frustration about lack of ambition and political will "whether it is climate or whether it is vaccines", alluding to the ongoing COVID-19 vaccine inequity. "We need a correct mix of voices, ambition and action", she underlined, asking leaders "how can there be peace and prosperity when one third of the world prospers while the other two thirds literally live under siege" to calamitous threats.

She reminded that central banks of the wealthiest countries engaged in USD 25 trillion of quantitative easing in the last 13 years, of that USD 9 trillion in the last 18 months alone to fight the pandemic. She called for an annual increase in special drawing rights (SDRs) of USD 500 billion per year for 20 years to put in a "Trust" to finance the transition which is the real gap that needs to be closed. This amount of USD 500 billion is "only 2 per cent" of the USD 25 trillion, she highlighted.

Prime Minister **Mario Draghi** of **Italy** said that the impact of climate change is already too evident and that the price is also rising fast especially for the poorer nations. He cited that the cost to low- and middle-income countries is a "staggering USD 390 billion a year". He highlighted the repercussions of climate change on "global peace and security" and also on "new migration flows", including contributing to "terrorism and organised crime". Draghi relayed the consensus reached by the G20 in its recent summit in Italy, to "limit" the temperature rise to 1.5°C and their commitment to net zero "by or around mid-century".

He informed that the G20 has also agreed to enhance their NDCs and "stop international public funding to unabated coal by the end of this year". He stressed on strengthening efforts in the realm of climate finance and how to bring the private sector on board with their trillions, proposing all multilateral banks and especially the World Bank to "co-share the risks" which the private sector alone cannot bear.

Apart from delivery of statements, the opening ceremony was also graced by art and culture, with traditional music performance; poetry recital by Yrsa Daley-Ward and a powerful, moving short film entitled "Earth to COP" showcasing the beauty and fragility of nature now scarred by the horrors of climate change.

TWN
Glasgow News Update 6

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Rich discussion on process to determine new finance goal

Glasgow, 3 November (TWN) – On 2 November, the third session of the Conference of Parties to the Paris Agreement (CMA 3) convened its first contact group on the new collective quantified goal during the ongoing climate talks in Glasgow. Countries had a rich discussion on the matter, with **Zaheer Fakir** (**South Africa**) and **Outi Honkatukia** (**Finland**) co-chairing the discussions.

(In the decision adopted in COP 24, Parties had agreed to initiate in 2020, deliberations on setting a new collective quantified goal from a floor of USD 100 billion per year. Given that formal negotiations did not take place in 2020 due to the COVID-19 pandemic, COP 26 is the first opportunity for Parties to discuss this.)

Setting the stage for discussions in the contact group, Honkatukia requested Parties to reflect in their interventions the principles, working modalities including the nature of work and time-lines and components of the process towards setting the collective goal.

South Africa, for the **Africa Group**, said leadership, inclusiveness and budgeting for the work at hand were some of the key principles that had to drive this process. South Africa suggested a process to be led by an inclusive group comprising Vice-Chairs from the UN regional groupings, akin to the UNFCCC Bureau style format. By inclusiveness, South Africa called for engaging with technical and constituted bodies under the Convention and the Paris Agreement (PA) and stressed the role of the Secretariat in the work and for budget to be allocated for this.

South Africa also cautioned developed countries to not use terms such as "those in a position do so" since such language does not exist in the PA and that Parties should not spend time discussing that. (In the run-up to the PA, developed countries wanted to use the term to indicate that while the developed countries are mandated to provide support to developing countries, "others in a position to do", meaning "developing countries", must also contribute to the goal. The final Article 9.2 in the PA only provides that *"Other Parties are encouraged to provide or continue to provide such support voluntarily"*.)

The Africa Group also said that the goal is not just about a number and that the process should be "creative and innovative" and the challenge is to arrive at an ambitious and unique goal. It added that there were issues of economic, social, and health justice that need to be factored in.

In relation to the components of the work, the African Group's proposal was to start work in 2022, with a call for submissions, convene regional consultations, consider reports by constituted bodies and integrate findings by the Inter-governmental Panel on Climate Change (IPCC), adding that it was not convinced about the value of a workshop process. It also said that all meetings related to the collective goal should be open to observers and webcast. South Africa stressed that the goal must be concluded in 2023 since it will have a bearing on countries as they prepare their second round of nationally determined contributions (NDCs).

South Africa also said that developing countries were highly indebted and the world could never make the transition required with existing instruments, and as a way forward suggested Parties spend time discussing the issues to arrive at a common understanding rather than jumping to a text straightaway.

India for the **Like-Minded Developing Countries (LMDC)** supported the Africa Group and added that the issue of progression needs to be reflected in the collective goal. It highlighted that the pre-2020 goals were not met by the developed countries and that developing countries' needs must be met while adhering to the principles and provisions of the Convention. It also raised the issue of the definition of climate finance, adding that this has a clear connection with the goal and that it was high time the new collective goal reflected ambition on provision and mobilisation of climate finance.

Malawi for the **Least Developed Countries (LDCs)** wanted the goal to be concluded by 2024 and called for a decision in Glasgow on a roadmap that gave them the deliverables for every year till Parties reached the point of deciding on the goal. It called for the goal to be based on the needs of developing countries, including for loss and damage needs, and to take lessons learnt from the long-term climate finance (LTF) process. Malawi also called for a clear framework in relation to accounting, tracking and reporting on the goal, and said Parties need a working definition of climate finance so that there is clarity on what is being reported. It also said issues around access to climate finance should be recognised and resolved in the discussions on the collective goal.

Antigua and Barbuda for the Alliance of Small Island States (AOSIS), referring to its submission on the collective goal, said Parties could not afford to make the "uninformed mistake" they did in Copenhagen in relation to the USD 100 billion goal. It called for deliberations to be transparent and inclusive and a process where everyone has an opportunity to input equally. In relation to the principles, AOSIS said they are looking at the goal through the lens of Article 9.3 of the PA. (Article 9.3 of the PA states, *"As part of a global effort, developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. Such mobilization of climate finance should represent a progression beyond previous efforts."*)

AOSIS proposed ministerial dialogues that took stock of the process at the end of each year, with the aim of completing deliberations in 2023. AOSIS also said that they need to see clear quantitative, qualitative elements as well as issues around access to climate finance and stressed the importance of tracking progress via the Enhanced Transparency Framework of the PA in the discussions.

Costa Rica for the **Independent Alliance of Latin America and the Caribbean (AILAC)** said it would not consider COP 26 a success without an outcome on the collective goal and stressed on the need to arrive at a text as soon as possible. AILAC said the objective should include a direct reference to Article 9.3 of the PA and it must be clear that the new goal's purpose is to scale up climate financing for mitigation, adaptation and loss and damage, with the aim of keeping global temperature rise to within 1.5°C and fostering resilience. It also called for an open, inclusive and transparent process. AILAC suggested that work should start in the first half of next year, with an annual report to the CMA, and called for a compilation of inputs and a range of options on both the qualitative and quantitative aspects by the end of 2022. AILAC further proposed that in 2023, negotiations should focus on qualitative elements and in 2024, negotiations should focus on the quantitative elements, adding that arriving at a quantum amount should be done through the use of different sources of inputs arranged in thematic areas such as mitigation, adaptation and loss and damage.

Brazil spoke for **Argentina, Brazil and Uruguay (ABU)** and said that history must not be repeated as was the case at Copenhagen in 2009, where negotiations were neither transparent nor inclusive in relation to the USD 100 billion per year by 2020 goal. It highlighted the relevance of the recent needs determination report (NDR) by the Standing Committee on Finance (SCF) for the collective goal process. Brazil also said the new goal must have political and technical aspects and include quantitative and qualitative components, with regular reporting of progress of work to the CMA.

Pakistan stressed on the need for a substantive decision at COP 26 with clear milestones and timelines towards the collective goal and called on Parties to conclude the work in 2023, adding that the process takes into account the NDCs of developing countries as well as other reports such as the NDR. The collective goal should address the definition of climate finance and without a definition, any new target would always be questioned, it said further.

China expressed disappointment that the USD 100 billion commitment of developed countries had still not been realised and underscored that climate finance is the foundation to achieve the objectives of the Convention and the PA, adding that the NDR should feed into the discussions on the collective goal.

The European Union (EU) called for discussions to be inclusive and transparent and it envisaged a process where not just Parties but external stakeholders were also included to see what solutions were available. The EU said the deliberations on the collective goal must include making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development and the needs of developing countries (which is referred to in Article 2.1(c) of the PA).

The EU said the process must look at experience and lessons learned from the USD 100 billion goal and that developed countries would continue to take the lead. At COP 26, the EU envisages a procedural CMA decision that should give multi-year clarity on the collective goal, leading to a final decision in 2024. It said it did not think Parties could finish work by 2023 and that "nothing is agreed till everything is agreed". It did not want to see particular decisions covering some aspects to be decided before looking at the entire package. It called for political guidance at each CMA and proposed formats such as roundtables to be convened for such guidance and workshops to be held in conjunction with the sessions of the Subsidiary Bodies to further technical work. The EU called for getting a draft text from the Co-Chairs as soon as possible.

Switzerland said initiating work on the goal is most important and that Parties need to get it right, especially in relation to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. It said that deliberations must focus on technical and political components and called for inputs from stakeholders from outside the process to be integrated in the deliberations. It also proposed that deliberations must be set in a manner that nothing is agreed until everything is agreed and was ready to engage on the substance of the goal in three years. It also wanted to move to a draft text by the end of the week and for this to be crafted based on the interventions from the floor.

Australia said that they could not leave Glasgow without clarity on how to frame the discussions on the collective goal. It supported a "cyclical approach" where the technical track will feed into and get guidance from the political track. Australia also reiterated that "nothing is agreed till everything is agreed".

Japan proposed a cycle of political and technical process and called for the process to not be "over-engineered" and said that the goal must reflect ground realities of decarbonisation and achievement of net zero. It also stressed the need to include external stakeholders such as multilateral development banks. Japan said while it understands that the main drivers of the goal were developed countries, other Parties need to be involved as well, since they conduct South-South cooperation.

Canada said now was not the time to get into issues, but called for deliberations to set the task for setting the goal. It called for a process that creates technical and political space, where the political space provides clear direction to the technical space and the outcomes of the technical work could feed into the political process.

The **United States (US)** said that discussions would be central to keeping the 1.5°C target within reach and the mandate in Glasgow was to initiate the deliberations. It did not expect any annual decision nor an annual agenda item on the issue and said that deliberations could happen through workshops, roundtables and dialogues. The US called for deliberations to be transparent and inclusive with space for inputs from private sector and civil society, adding that the process should not be "overly engineered". It also said that the idea is to set a process and for substance to follow later.

Following the discussions, **Fakir** proposed that Parties could submit further inputs to the Secretariat by 6 pm on 3 November, and that all the views expressed would be taken into consideration as well. The Co-Chairs are expected to present a compilation of inputs before the next deliberation on the matter later this week.

TWN
Glasgow News Update 7

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Divergences over climate finance issues

Glasgow, 4 November (TWN) – At the Glasgow climate talks, finance negotiations continue to witness divergences among developed and developing countries under some key issues such as long-term finance (LTF) and the fourth review of the Adaptation Fund.

These discussions are taking place under COP 26, the third session of the Conference of the Parties to the Paris Agreement (CMA 3) and 16th session of the Conference of the Parties to the Kyoto Protocol (CMP 16).

LONG-TERM FINANCE

In a contact group convened on 2 November on LTF, differences arose over whether the LTF agenda under the COP should continue and what the focus of its work should be.

Developing countries were in favour of continuing the agenda item under the COP and proposed a range of different areas of the work for the LTF, while developed countries said that the discussions in LTF were duplicative of discussions under Article 9(5) of the Paris Agreement (PA), and hence there was no need for the LTF agenda under the COP.

(Article 9(5) of the PA mandates developed countries to biennially communicate indicative quantitative and qualitative information on the provision and mobilisation of projected levels of public financial resources to be provided to developing countries.)

Ecuador for **the G77 and China** explained the rationale behind the LTF agenda continuing under the COP, saying that the LTF had a work programme which ended in 2020 but this did not mean the agenda itself ends, since there is further work to be done. The focus of the discussion on Article 9(5) under the CMA is ex-ante communication of information on provision and mobilisation of finance, while the focus of the LTF agenda under the COP is ex-post information and assessing that ex-post information in order to ascertain whether the USD 100 billion per year goal by 2020 was met or not.

(At COP 25 in Madrid, a key issue under the LTF was a proposal by developing countries, led by the G77 and China, for its continuation beyond 2020 with COP 26 agreeing on its modality, along with a status report on the USD 100 billion per year by 2020 goal. But there was no agreement on the proposal.)

Ecuador also said that while there had been independent reports which claimed that the USD 100 billion goal was not met, there was no process under the Convention to assess the delivery of the goal or to draw lessons from the experience. It further clarified that under the decision adopted in Paris in 2015, the 2020 finance goal got shifted to 2025, and therefore, the LTF work under the COP would be to assess the goal until 2025, through a system of regular reporting.

Gabon for the **Africa Group** outlined their expectations of a decision on the LTF under the COP. It said the decision must have clear language requesting the Secretariat to initiate a process of monitoring and reporting and the COP considering progress made on the delivery of the USD 100 billion per year goal. Gabon stressed that the process was important to inform Parties' understanding of whether or not developed countries were in compliance with their obligation. The decision must underscore the importance of agreed eligibility and access criteria for all developing countries and there must be language stating concerns around imposition of new policy conditions for accessing climate finance, said

Gabon, adding further that there was no link between the LTF and the Article 9(5) process because the LTF was about taking stock of the delivery obligations of the developed countries.

India for the **Like-Minded Developing Countries (LMDC)** said climate finance discussions should reflect trust, ambition and transparency. Continuation of the LTF under the COP would ensure trust. The process must undertake ambitious augmentation of finance provision which takes into account the needs and priorities of developing countries and transparency achieved via a multilaterally agreed definition of climate finance, which should be reflected in the LTF decision. It also said that conversations on the USD 100 billion seemed as if it was the end goal and reminded Parties that the goal was to mobilise USD 100 billion per year by 2020 (from 2010) and that there is a USD 720 billion lack of unfulfilled commitments on the part of developed countries. India reminded Parties that the PA is not exclusive of the Convention and that the PA is a part of the Convention.

Brazil for **Argentina, Brazil and Uruguay (ABU)** said the LTF is the only process under the Convention where Parties could deliberate on the issue of the climate finance architecture, focusing on the USD 100 billion goal and how to scale up provision and mobilisation of resources for climate action in developing countries. It suggested that COP 26 must adopt a decision to renew the LTF work programme to assess the achievement of the USD 100 billion per year goal and that the absence of a clear definition of climate finance prevents an accurate assessment.

Malawi for the **Least Developed Countries (LDCs)** stressed the need for developing countries to be supported ambitiously in return for expectations of scaled-up climate action. It stressed the need to see linkages between the LTF discussions and science; for the LTF discussions to factor in the Needs Determination Report (NDR) by the Standing Committee on Finance (SCF) and draw lessons from the USD 100 billion per year goal. It also said that the LTF decision could have an element around the definition of climate finance to be able to track the inflows and outflows. Malawi also wanted the issues around access to climate finance and finance support for adaptation and loss and damage to be captured in the LTF decision.

Antigua and Barbuda for the **Alliance of Small Island States (AOSIS)** suggested extending the LTF to track the USD 100 billion per year goal and added the obligation was established in Cancun (in 2010) and therefore, it could not be met under the framework of the PA. Further, it said that there was no duplication with the Article 9(5) architecture. AOSIS also stressed that without transparency, there could be no accountability and that Parties must discuss the extension of the LTF so that the objectives of transparency and accountability could be met.

Colombia for the **Independent Alliance of Latin America and the Caribbean (AILAC)** highlighted the need for additional grant-based finance and for financing loss and damage, adding that there is a need to talk of not just quantity but also the quality of climate finance flows and calling for a UNFCCC synthesis report on the USD 100 billion goal. It further stated that the annual synthesis report should assess the delivery of the goal from 2020 to 2025, and for those reports to feed into the Global Stocktake (under the PA).

South Africa called for an LTF decision under the COP and added that the nature of deliberations should be such that there would be a technical and political process which should be captured in the decision. It said that the LTF agenda also needs to look at the broader agenda of finance as anchored in Article 4 of the Convention, besides focusing on the USD 100 billion per year goal, and issues around access and scaling up of climate finance.

China also supported the extension of the LTF under the COP and said that developed countries should put forth specific arrangements for enhancing the clarity, adequacy and predictability of climate finance. It also stressed on the need for Parties to arrive at a common definition of climate finance.

The European Union (EU) said the delivery of finance needs to take place under the CMA and submissions by Parties under Article 9(5) of the PA, which gave Parties the technical and political space to discuss all matters of finance. It said that it did not support the extension of the LTF in its present form and called for a decision to reflect that the LTF ended in 2020.

Switzerland echoed the EU and said the conversation should move to the CMA and for efforts not to be duplicated. **Japan** stressed that the LTF agenda under the COP must end at COP 26, and that it was eager to continue the discussion in the coming years under the CMA. Japan clarified the reason for this move stems from Parties being in the PA implementation phase.

The **United States (US)** said that 2020 was behind us and the LTF item under the COP would be duplicative, adding that every piece of the finance architecture had been replicated under the CMA, besides the new item under Article 9(5), and looked forward to discussing matters under the CMA. The US also said that reflections on the USD 100 billion remain available such as reports from the Organisation of Economic Cooperation and Development (OECD), the “Biennial Assessment” and “Overview of Climate Finance Flow” reports by the Standing Committee on Finance (SCF), biennial reports and information under Article 9(5), which were continuing under the CMA. **New Zealand** and **Canada** also suggested moving the discussion to Article 9(5) under the CMA.

Discussions on the matter will continue this week.

ADAPTATION FUND

Discussions on the fourth review of the Adaptation Fund (AF) turned contentious at the informal consultations convened on the issue on 3 and 4 November. Divergences emerged over whether to reflect the AF serving the PA in the draft decision text, as well as over the CMA having a say on the review (commonly referred to as the “governance” issue).

(The AF currently serves both the Kyoto Protocol (KP) and the PA. At COP 24, it was decided that the AF shall exclusively serve the PA and shall no longer serve the KP once the share of proceeds from the mechanism under Article 6.4 of the PA becomes available. Negotiations on the share of proceeds are currently ongoing in Glasgow. Article 6.4 establishes a mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development for use by Parties on a voluntary basis.)

Ecuador spoke for **the G77 and China** and said that as in previous reviews, the focus of work for the fourth review was on performance of the AF, rather than on governance, adding that focus on governance would change the scope of the review and is a different discussion. It reiterated that the focus should be on whether the AF was responding to the needs of developing countries.

South Africa for the **Africa Group** clarified that they were discussing the draft conclusions of the Subsidiary Body for Implementation (SBI) to the CMP and stressed that the line of authority to the CMP should be respected. It also said that Parties had already decided that the AF would serve the PA and therefore there was nothing left to review at this stage in relation to that particular decision. The review should be on how developing countries are meeting the full costs for adaptation projects and whether their needs are being served, and it is not relevant if the AF serves one body or two bodies, said South Africa further. It also said that it was against any language that makes reference to the PA in relation to the fourth review of the AF.

India for the **Like-Minded Developing Countries (LMDC)** said the focus of the review should be on performance, adequacy of funds and scaling up of funds and underscored that adaptation was no longer an option for developing countries. It pointed out that the Convention and the PA make it abundantly clear that financing adaptation was a legal obligation of developed countries.

Antigua and Barbuda for the **Alliance of Small Island States (AOSIS)** added that the scope of the review should not be expanded to any matter that was still under discussion elsewhere (in reference to Article 6 of the PA on cooperative approaches and the share of proceeds to the AF) and that the group prefers not to negotiate matters through any back door.

Brazil for **Argentina, Brazil and Uruguay (ABU)** said the fourth review of the AF is an important opportunity to improve the collective effort to address gaps in funding and that the review should provide Parties with valuable information on the functioning of the Fund. It cautioned that the review should not revisit governance arrangements nor eligibility criteria of Parties under the AF.

Egypt said that while the third review’s terms of reference (TOR) could be the basis for the fourth review and in doing the review itself, Parties need to be clear that the CMA has no authority on the AF.

The time for authority will be when the share of proceeds from the Article 6 mechanism would become effective, and Egypt suggested that Parties not overload the discussion with political or controversial issues.

The European Union (EU) said that the AF had been serving the PA for two years now and the review should reflect this fact, adding that while there was broad convergence on the elements of the TOR of the fourth review, the CMA had a role to envisage transition of the Fund from the KP to the PA.

Norway suggested that the TOR from the third review could serve as the basis for the fourth review, adding that since the AF serves both the AF and KP, there is a need to explicitly mention that the review would be undertaken under the

CMA. It said it did not see a need for anything more than factual updates since the third review.

The **United States (US)** said the decision should reflect how the AF has been serving the PA and also called for this to be included in the TOR of the fourth review.

Following discussions, a draft text on the fourth review, including the TOR, was presented to Parties, where references to the CMA were bracketed.

Parties are expected to continue deliberations on the matter this week.

TWN
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Climate: Grant-based finance unfulfilled, "de-risked" private financing elevated

Glasgow, 5 November (Prerna Bomzan) – At the fourth High-Level Ministerial Dialogue on Long-Term Climate Finance on 3 November, developing countries underscored the importance of adequate, predictable and accessible grant-based financing, with full transparency to address critical adaptation and loss and damage impacts of climate change.

Developed countries emphasised private sector financing with several speakers raising the issue of "de-risking" private investments. In the absence of an agreed understanding on the definition of "climate finance", still elusive in the finance negotiations, declared contributions from developed countries continued to raise questions.

The dialogue at the ongoing 26th session of the UNFCCC's Conference of Parties (COP 26), convened by the United Kingdom as the COP Presidency, comprised three panels – on enhancing support for developing countries and realising the USD 100 billion a year by 2020 goal; supporting a financial system for a net zero and resilient future; and scaling up climate finance to mobilise the trillions needed in developing countries.

The three panels were followed by a plenary discussion, chaired by the UK's lead negotiator **Archie Young**, which saw Ministers of both developing and developed countries responding to the following three guiding questions:

i. What specific actions can Ministers take to further enhance the scale and effectiveness of climate finance, in particular with regard to the USD 100 billion per year goal?
ii. What progress has been made to develop a financial system to support a net zero and climate-resilient future? What steps can Finance Ministers take to ensure this progress continues and delivers sustainable growth for developing countries?
iii. How can Governments and other actors, including MDBs and the private sector, significantly scale up private finance mobilisation to developing countries for adaptation and mitigation? What role should public finance play in improving the conditions for this shift?

Bangladesh highlighted the need for a grant form of financing as even for least developed countries (LDCs), two-thirds come as loans which means a "new kind of debt" in addition to the already existing debt burden as well as the COVID-19 assault on LDC economies. It pointed out the increasing share of overseas development assistance (ODA) being counted as climate finance which is "double injustice since the mission of ODA and climate finance is totally different". It said that public, grant-based finance should be the main source for adaptation finance as the private sector cannot deliver "anticipatory" financing for adaptation as is the case with mitigation initiatives under the different market instruments. Bangladesh also raised the most pertinent issue of "definition" of climate finance on which negotiations have not reached a "common understanding" yet, hence there is a "huge deficit" and an issue of "trust", it said, further urging for an understanding to be reached on the issue.

Uganda stressed on effectiveness of climate finance saying that the mechanisms in place have not delivered at the grassroots level, expressing the need to ensure that the bottlenecks be addressed so that "70-80 per cent of funds gets to the grassroots". It underlined the difficulty of "access", calling for "simplified mechanisms" and also highlighted that "some of us cannot even borrow so the issue of social bonds should be given priority for such countries".

Cuba said that the scale and need felt by developing countries shows that climate finance has not been enough and therefore there is a need to accelerate the process as well as in a "transparent" way. It underlined that the financial architecture must be based on the "principle of common but differentiated responsibilities and respective capabilities (CBDR-RC)" and highlighted support for "loss and damage" due to climate change impacts. Citing its experience of the approval of its two projects on adaptation at the Green Climate Fund (GCF), Cuba reiterated its "rejection of any measures that could imply the exclusion or limitation for some developing countries when it comes to receiving funds to fulfill their obligations under the Convention (UNFCCC) and the Paris Agreement, since funds and mechanisms must ensure transparency and non-discrimination for all countries".

Grenada expressed disappointment that the USD 100 billion per year commitment by 2020 is still being talked about in 2021, including delivery of which will not be met until 2023. It said that the USD 100 billion is just a "starting line" for much more transformational finance and called for "concrete steps" to be set in place to deliver the collective goal "prior to 2025" which are particularly critical for small island developing states (SIDS) in the areas of adaptation and loss and damage. It said that in adaptation, the main barrier is lack of finance, hence the need for "certainty" in the scale and scope of financial resources. "Loss and damage dedicated finance is no longer a theoretical discussion but something needed now," Grenada stressed, adding that "this needs to be recognised and this will frame the new collective goal".

The Maldives echoed Grenada and hoped to see USD 500 billion in total delivered by 2025. It also pointed to access to climate finance which it said cannot be mired by "excessive red tape" as in its experience, the ground reality changes by the time they get the go-ahead for implementation. It stressed on "grants-based adaptation finance to be prioritised" and called for "new, additional and predictable financing" to meet urgent adaptation needs as well as to limit temperature rise to 1.5°C, adding that the new collective goal must be reached before 2025.

China said that "climate finance is the foundation for us to achieve the trust" and that "developed countries should carry out the delivery of the pledge to provide adequate, sustainable and predictable financing, strengthen financing transparency and reporting". It underscored that "long term finance is consensus reached by all" and provision of climate finance by developed countries is in the Convention as a long-term commitment. It believed developed countries should fill the gap of the USD 100 billion as a starting point, and post-2020 come up with "more ambitious climate finance with a clear time-table and roadmap so as to raise transparency and predictability continuously to have the matching funds needed for our ambitions". It acknowledged the important role of private finance but stressed on the role of public finance for adaptation.

Nepal said that it is "losing 1.5-5 per cent of GDP every year" to climate change impacts in the form of loss and damage which it is addressing through budget cuts in other sectors and hence, climate finance is key. It stressed that financial resources committed must be "predictable, adequate and accessible" and called for "grants and full cost financing especially for adaptation and loss and damage".

The **United States (US)** said that "finance is absolutely critical to tackling the climate change crisis" but pointed out that "no government in the world has enough money to be able to deal in billions and pretend we can solve the problem", adding that it is "only by bringing trillions to the table that we can get the job done". Focusing on those trillions, some of which have "fiduciary constraints" and some needing "de-risking", it said they cannot be deployed "unless (with) blended finance and unless mixed with philanthropy" which then can "create bankable investments". It maintained that "public finance is vital" and that the US has quadrupled its contribution to USD 11.4 billion including a "six-fold increase in adaptation finance", further informing that the US has announced the day earlier its first-ever contribution to the Adaptation Fund.

The US made it clear that "mobilising finance at scale requires all hands on deck and that means going forward, countries who can contribute need to be part of the global effort that was enshrined in the Paris Agreement".

Referring to the USD 130 trillion pledge made by the Glasgow Financial Alliance for Net Zero (GFANZ), it said "people are prepared to put that money into legitimate investing so it puts the burden on all of us to make sure we can make it". The US emphasised on partnering with "philanthropies around the world on how we take the first risk" as well as "how we get the multilateral development banks to perhaps restructure in some way so that they can go for greater draw-down and make that money available, all of which can bring that private sector trillions to work and get the job done".

It said that the G20 countries are responsible for 80% of global emissions, highlighting acceleration of their transition as part of the challenge and in closing, stressed that "if we focus on these 20 developed countries" then "we can get the fastest advance in the fastest way possible".

[It is surprising that the US referred to developing country members of the G20 as "developed countries".]

The **European Union** (**EU**) said to keep the 1.5°C alive means all financial flows must be aligned with the Paris Agreement objectives. It said that even though the USD 100 billion goal was not met in 2020, the EU provided USD 23 billion of public finance in 2020 to developing countries to support reducing emissions and adapt to climate change and that it will continue to scale up its public finance. It underscored on "effectiveness" of climate finance saying that "really important is also decreasing unit costs" and reassured that the EU is committed to "getting an outcome in Glasgow" on the post-2020 new collective quantified goal.

Japan pointed to its commitment made in June of USD 60 billion over the next five years until 2025 which includes both public and private finance as well as its announcement made a day earlier of an additional USD 10 billion, bringing the total commitment to USD 70 billion in five years. It said it has doubled its adaptation assistance with a new commitment of approximately USD 14.8 billion over the five years. It said it is increasingly important to mobilise more private finance and also leverage bilateral and international institutions. It expressed concern about access to climate finance at the GCF where it has already pledged USD 3 billion and stressed on capacity-building.

Before the plenary session, there were three panel discussions with guiding questions for the respective panelists.

"ENHANCING SUPPORT FOR DEVELOPING COUNTRIES AND REALISING THE USD 100 BILLION GOAL"

For this first panel discussion the guiding questions were: *What specific actions can Ministers take to further enhance the scale and effectiveness of climate finance, in particular with regard to the USD 100 billion per year?*

The panel was chaired by Jochen Flasbarth, the State Secretary at the Ministry for Conservation and Nuclear Safety, Germany, and panelists included Akin-wumi A Adesina, President, African Development Bank (AfDB); Yannick Glemarec, Executive Director, GCF; Nigel Clarke, Minister of Finance and the Public Service, Jamaica; and Annika Saarikko, Minister of Finance, Finland.

Flasbarth (**Germany**), who, along with Canada's Minister Jonathan Wilkinson, have been tasked by the UK COP 26 Presidency to head the USD 100 billion Climate Finance Delivery Plan, said that developed countries missed the target in 2020, however "we will touch the USD 100 billion in 2022 and we might cross it with a bit of luck in 2023". He urged developing countries not to be "extremely disappointed and to be mistrustful as in the end, the USD 100 billion will come and we'll over-achieve it and that is a fair basis for our discussion".

Saarikko (**Finland**) speaking also in her role as Co-Chair for the Coalition of Finance Ministers for Climate Action, highlighted the need for "facts" and "real numbers" in relation to what kind of problems climate change is causing and what are the "costs" of losing in the financial way. "If we don't know how much it costs then real change won't happen, we need concrete numbers," she stressed.

Clarke (**Jamaica**) speaking from his country's perspective emphasised on disaster risk reduction, saying "we don't have the luxury of adaptation financing since the risks are here", referring to the annual tropical storms that continue to ravage his island state. He said it is therefore necessary to have a "menu" of financing and shared that his country is the first one to introduce "catastrophe bonds" with technical assistance from the World Bank and bilateral support from the UK, Germany and the US.

Adesina (**AfDB**) said that the USD 100 billion is the floor as the actual requirement is USD 1-2 trillion per year and that the most important element is the measurement of wealth which today is in GDP and which does not take into account the "positive and negative externalities" so this is a "systemic" issue. He made a call to "re-measure wealth" in a way "without destroying our environment and biosphere".

Glemarec (**GCF**) said that besides the amount of USD 100 billion, its composition is also critical in terms of the kind of form and instruments, as this amount needs to catalyse the trillions needed for transformation. He also emphasised on the financing gap for adaptation.

"SUPPORTING A FINANCIAL SYSTEM FOR A NET ZERO AND RESILIENT FUTURE"

The second panel discussion posed the following guiding questions: *What progress has been made to develop a financial system to support a net zero and climate-resilient future? What steps can Finance Ministers take to ensure this progress continues and delivers sustainable growth for developing countries?*

The panel was chaired by Rishi Sunak, Chancellor of the Exchequer, UK; Carlos Dominguez, Finance Secretary of the Philippines; Azucena Arbeleche, Minister of Economy and Finance, Uruguay; Alison Rose, Chief Executive, NatWest Group; and Mathias Cormann, Secretary-General, OECD.

Sunak (UK) stressed on the need to mobilise the "power of private finance" since public money is not enough, and that climate finance needs to be aligned with climate goals in the Paris Agreement. He said that the UK is the first country to mandate climate disclosures in the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines as well as the "first country to have a net zero aligned financial centre", embedding net zero in its financial regulations.

Dominguez (the Philippines) said that it is important to have a "clear definition of what constitutes climate finance" and spoke of three elements – grants, investments and subsidies. He said accountability and transparency should be ensured and that those "who emitted and continue to emit" must bear the burden of financing.

Arbeleche (Uruguay) said that for the first time in the country's budget law, there are articles that mainstream climate action into economic policies and its central bank is part of the green financial system networking. She shared her country's key performing indicators related to its nationally determined contribution (NDC).

Rose (NatWest Group) said that the private sector is at the table with the financing and committed to driving the change required, and in order to deploy this capital more rapidly, governments need to put policies in place to provide confidence to investments.

Cormann (OECD) agreed that it is important to reach the USD 100 billion a year goal as soon as possible and confirmed that based on current commitments this objective should be reached and also be exceeded from 2023 onwards. He said in order to reach net zero, all financial flows need to kick in that direction which is not happening and that "governments should be removing those distortions that divert investments away from net zero", adding that too many policies still encourage emissions-intensive investments. He said that the OECD will "fully align ODA with the goals of the Paris Agreement" and that it is "advancing policy framework of environmental, social and governance (ESG) factors that support net zero transition".

"SCALING CLIMATE FINANCE TO MOBILIZE THE TRILLIONS NEEDED IN DEVELOPING COUNTRIES"

The third panel posed the guiding questions: *How can Governments and other actors, including MDBs and the private sector, significantly scale up private finance mobilisation to developing countries for adaptation and mitigation? What role should public finance play in improving the conditions for this shift?*

The panel was chaired by Lord Stern, Chair of the Grantham Research Institute; Sri Mulyani Indrawati, Minister of Finance, Indonesia; Makhtar Diop, Managing Director, International Finance Corporation (IFC); Remy Rioux, Chief Executive Officer, Agence Francaise de Developpement (AFD).

Stern (Grantham Research Institute) underlined that scaling up public finance is also important along with private finance, and that first and foremost the USD 100 billion must be delivered without moving the goal-posts as it is a "basic question of trust". He highlighted five different components to mobilise the trillions of climate finance that is necessary – bilateral commitments, concessional funding, finance by multilateral development banks, private finance and innovative financing like the IMF's special drawing rights (SDRs), the voluntary carbon markets, and from philanthropists.

Indrawati (Indonesia) in her role as incoming Chair of the G20 and Co-Chair for the Coalition of Finance Ministers for Climate Action along with Finland, emphasised that since the USD 100 billion has not been delivered the "accountability of this amount will continue" as on the one hand the developed countries have not delivered, while on the other hand, developing and emerging economies need money. She said that her country has submitted an updated NDC as well as the 2050 long-term strategies in which commitment to net zero is set for "2060 or earlier". She informed about requiring USD 270 billion to achieve the NDC with "our own budget providing 21 per cent, therefore, additional finance will be critical" and added that “long-term finance must continue beyond 2020”. She stressed on blended finance as innovative financing since the trillions required would not be possible from either ODA or the public sector.

Diop (IFC) underlined the need to work on the regulatory framework as standardising it will reduce the cost of investment. He also stressed on innovation and blended finance and the need for “de-risking”, as well as “synergy with development finance institutions and philanthropy”. He announced a new “social bond” that the IFC launched so that no one is left behind.

Rioux (AFD) said that the AFD “just revised its energy policy to exit from all fossils including natural gas”. He said since Paris, the AFD had provided more than USD 30 billion in climate finance with “USD 7 billion this year as part of the USD 100 billion pledge which is more than what France pledged at COP 21”. He also announced the AFD’s commitment to “link climate finance with biodiversity finance” pledging “30 per cent of its climate finance to be nature positive by 2025”. Referring to the 2020 Finance in Common Summit initiative which he headed and gathered all public development banks aiming to structure into a global network for public investment, Rioux floated the idea of “aligning USD 2.5 trillion for climate and the sustainable development goals (SDGs)”, adding, “why not allocate SDRs somehow in this network”. He said a strategic discussion is being started in Glasgow. For private finance, he stressed on the need for “mandates” saying “we need targets, methodologies and risk sharing, who will take which risks”.

The ministerial dialogue also included a presentation on the Standing Committee on Finance’s 2020 Biennial Assessment and Overview of Climate Finance Flows by co-facilitator **Seyni Nafo (Mali)**. He presented key findings on the global climate finance flows; flows from developed to developing countries; assessment of climate finance; climate finance in context; and mapping information relevant to Article 2.1c of the Paris Agreement.

UNFCCC Executive Secretary **Patricia Espinosa** closed the dialogue remarking on the need to make substantive progress on the finance agenda and hoped by the second week of COP 26, there would be greater clarity with respect to the way forward on the issue of climate finance.

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Mismatch between progress in negotiations and outside declarations

Glasgow, 8 November (Meena Raman) – At the end of the first week of the Glasgow climate talks, media attention has been about declarations and initiatives among governments on the side-lines of the process, rather than on the actual negotiations inside the Conference venue of COP 26, giving the impression that much progress is being made in advancing international climate cooperation.

Unknown to many, the rhetoric outside is not matched by what is happening in the actual negotiations on many key issues especially on finance, adaptation and loss and damage, which are key issues for developing countries.

Deep concerns have been raised by climate justice groups, movements and youth marching on the streets with 150,000 in Glasgow and many thousands more around the world, that these declarations are nothing more than greenwashing and a smokescreen for the lack of real and urgent action, especially on the part of developed countries.

The first week had begun with a World Leaders Summit held on 1 and 2 November and saw leaders echoing alarm bells on the state of the climate, with calls for more climate action from all countries and increased finance for developing countries.

However, the meetings of the Subsidiary Bodies (SB) of the Conference closed on 6 November, with conclusions on various matters with texts in brackets transmitted (signalling divergences) for further work to the COP 26 Presidency.

At the start of the second week of the talks, Alok Sharma, the COP 26 President, will hold an informal stocktake on the morning of 8 November to report on the work done during the first week and to inform Parties on how work will proceed in week two. He has produced a note on how he intends to advance further work to secure the decisions out of Glasgow. In his note, Sharma has indicated that work will advance on three tracks with:

- ministerial consultations which would focus on outstanding political issues;
- continued technical negotiations on a limited set of issues, into which emerging political agreements can be incorporated (drawing on the SB Chairs and already mandated co-facilitators); and
- continued presidency consultations, including on the overarching cover decisions (preceding the decisions on specific issues) for the COP, CMP (meeting of Parties to the Kyoto Protocol) and CMA (meeting of Parties to the Paris Agreement).

Sharma also outlined that he will invite a representative group of Ministers to lead informal consultations on the small number of topics which will require political attention in the second week. He expressed in his note that the state of the negotiations under the SBs will determine which issues require consideration and that he will announce the designated teams of ministerial co-facilitators during the informal stocktaking plenary to be held on Monday, 8 November.

Sharma also said in his note that he will be asking the designated ministerial co-facilitators to try to rapidly progress toward consensus texts and will impress on all ministerial and other co-facilitators that full transparency is essential, as is inclusiveness, in all the consultations to be held. The COP 26 President also stated that he will convene regular joint stocktaking plenaries to report back on the status of the ongoing negotiations and that status reports will also be posted regularly on the UNFCCC website, including draft texts as they emerge.

STATE OF PROGRESS ON SOME KEY ISSUES

TWN spoke to several developing country negotiators on some of the key issues, which showed developed countries blocking progress.

Climate finance

On the new collective quantified goal on finance which is to be decided by 2025, it appears that developed countries were unwilling to engage in the discussions for a robust process for establishing the needs of developing countries, but were instead proposing procedural decisions with no substance. Developed countries have suggested in-session workshops and seminars to determine the needs of developing countries and are opposed to a structured process designed to deliver a meaningful outcome on the new finance goal as advanced by developing countries.

Also disturbing, they said, is the push by developed countries on issues about who are supposed to provide the finance and who should be the recipients of such support. Developing countries countered developed countries in this regard, pointing out that the UNFCCC and the Paris Agreement (PA) clearly provide that developed countries are to provide and mobilise the financial support and that all developing countries are eligible to such financing. Developing country negotiators are deeply concerned that attempts are still being made to depart from and reinterpret the Convention and the PA.

Developed countries also want to end the agenda item on long-term climate finance (LTF) under the Convention, saying that since there are processes under the PA for this, there is therefore no need to continue discussion on the LTF. Developing countries in response have said that there is a need for an in-house assessment of the delivery of the USD 100 billion per year commitment under the Convention and that therefore, the LTF agenda item must continue under the COP. They expressed dismay that developed countries equate the biennial communications under Article 9.5 of the PA on their public sources of finance to be provided with a replacement for the LTF item under the COP.

Developed countries also continue resisting proposals for having an operational definition of climate finance, to remove any fudging of what exactly should be counted.

Adaptation

On adaptation, developing country negotiators revealed the challenges faced in the first week with conflicts in schedule as adaptation issues were being dealt with in parallel. A key issue of contention is over the global goal on adaptation (GGA). Developing countries have pointed out that Article 7 of the PA refers to the GGA, with a view to enhancing capacity, strengthening resilience, and reducing vulnerability, which are elements that have to be operationalised, requiring its definition in a quantitative and qualitative manner. There have been proposals from the Africa Group in this regard, which is supported by other developing countries for the matter to be dealt with under the CMA.

The Africa Group has tabled a proposal "to launch a comprehensive two-year work programme starting in 2022 to enable the full and sustained operationalisation and implementation of the GGA in order to ensure an adequate adaptation response in the context of Article 2, with a view to enhancing adaptation action and implementation, to enable assessment of progress towards achieving the GGA, the deviation from an increasing trajectory of impacts and vulnerabilities, and contribute to the global stocktake, and to report to the CMA annually on its progress".

According to negotiators who informed TWN, the United States (US) is opposed to such proposals, and prefers the issue of the GGA to be worked on by the Adaptation Committee instead of having a separate process for the elaboration of the GGA.

Loss and Damage

On the issue of loss and damage, an important aspect is the operationalisation of the Santiago Network on Loss and Damage (SNLD) which is part of the Warsaw International Mechanism on Loss and Damage (WIM), for averting, minimising and addressing loss and damage associated with the adverse effects of climate change and to catalyse the technical assistance of relevant organisations, bodies, networks and experts for the implementation of relevant approaches at the local, national and regional levels in developing countries.

Developing countries have submitted concrete proposals in relation to the functions of the Santiago Network, but most of these have been bracketed in the draft text due to opposition from developed countries, which, according to negotiators, inhibits the meaningful operationalisation of the SNLD.

There have also been calls for the allocation of new, additional, public, concessional, predictable and transparent financial support for addressing loss and damage in addition to adaptation and for adaptation and loss and damage to be treated separately.

However, there continues to be strong resistance from developed countries on financial support for loss and damage.

Pre-2020 ambition gap

According to developing country negotiators, while there is much talk on the need for climate ambition outside of the negotiating rooms, there is a strong reluctance by developed countries to acknowledge the gaps on mitigation and finance in the pre-2020 time frame. Developed countries did not even want the report of the pre-2020 roundtable held last year to be listed in the Second Periodic Review decision, which is meant to assess the long-term global goal under the Convention and the means to achieve it.

Cover decision

During the first week of the talks, the COP 26 Presidency has been convening informal consultations with heads of delegations on their views on what should be in the cover decisions of the COP, the CMP and the CMA.

According to sources, developed country groups and developing country sub-groups such as the Alliance of Small Island States (AOSIS), Least Developed Countries (LDCs), and the Independent Alliance of Latin America and the Caribbean (AILAC) gave a list of what they wanted to see in the cover decisions, referring to "science", "ambition", 1.5°C to be kept alive, revision of nationally determined contributions (NDCs), calls by youth and the role of non-state actors in the discussions. There were references to "major emitters" and "G20 countries" to revise their NDCs, align their NDCs and long-term strategies (LTS) to 1.5°C and explain if their NDCs and LTSs were not aligned to the 1.5°C goal. There were even calls for "ambition roundtables" to be convened annually. The focus was on closing the "pre-2030" ambition gap, in line with science, with interventions reflecting the statement by the "Coalition of High Ambition" made during the first week.

The LMDC, the Arab Group, the Africa Group and BASIC (Brazil, China, India and South Africa) stressed the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) and cautioned against introducing approaches and terms that departed from the Convention and the PA and which were not mandated by previous decisions.

According to sources further, the LMDC conveyed to the COP Presidency that it is important to acknowledge the latest IPCC report on the "Physical Science" which reaffirms that there is a linear relationship between cumulative emissions and rise in global surface temperature and that given the historical and cumulative emissions to date, more than 80% of the carbon budget for the 1.5°C temperature limit is already exhausted and global emission databases show that developed countries have been responsible for over 60% of these past emissions. It stressed that this fact could not be ignored with a focus only on future emissions, and as if all countries are equally responsible for the emissions gap that has resulted. It also noted with concern that developed countries must achieve full decarbonisation within this decade, and not provide pledges of distant net zero targets by 2050, which is delayed action and is anti-equity.

Following the responses from Parties, the COP Presidency has released a non-paper titled, "Summary of possible elements identified by Parties for inclusion…" in the cover decisions under the COP, CMP and CMA.

The issue of the cover decisions is expected to be highly contentious and will be a key focus in the second and final week of the Glasgow talks.

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Call on developed countries not to block progress on finance, adaptation and loss and damage

Glasgow, 9 November (Prerna Bomzan) – At the informal stocktaking plenary of the ongoing UNFCCC's COP 26, held on 8 November, developing countries led by the **G77 and China** called on developed countries to make progress on key issues of importance such as finance, adaptation and loss and damage.

Similar calls were made by the sub-groups of the G77 and China, including by the **Like-Minded Developing Countries** (**LMDC**), who urged developed countries not to be a "roadblock" to the hope of the thousands who had marched on the streets of Glasgow.

On the first day of the second week of the talks, COP 26 President Alok Sharma took stock of the first week's work and outlined his proposals towards taking work forward in the second concluding week. (See further details below.) Developing country Parties intervened to give their take on the negotiations during the first week.

Guinea for the **G77 and China** said that the first week "exposed many continuing challenges to negotiations and decision making in a consensus-based, inclusive and transparent Party driven process". It said on finance, "A COP without a concrete outcome on finance can never be successful. Finance is the enabler for ambition in developing countries. They cannot be expected to update their nationally determined contributions (NDCs) or report on their climate actions appropriately without adequate and reliable finance provided for them. Additionally, the commitment of developed countries under the Convention is to provide rather than simply to mobilise resources, which are two different things. We are disappointed that developed countries are unwilling to discuss long-term finance matters, which means that the current USD 100 billion goal, which was adopted under the COP, but is unfulfilled, cannot be assessed either by the COP itself, or under the UNFCCC. In reality, it is an empty commitment."

Guinea further said, "On the establishment of a new climate finance goal, we are disappointed that only one developed country group presented a submission, while all the subgroups of developing countries proposed robust and participatory processes and methodologies that would guarantee that the needs and priorities of developing countries are taken into account. A process that focuses on workshops without clear objectives or vague discussions until 2024 is not acceptable."

"On transparency under the Paris Agreement (PA), the G77 and China would wish to see an outcome where the enhanced transparency reporting requirements for developing countries is matched with adequate and transparent financial, technical and capacity building support, and linkages have been made between transparency and Article 6 (of the PA on market and non-market approaches). Discussions on transparency should not prejudge the discussions under Article 6," it emphasised.

"On transparency of support, this is an opportunity for developing countries to transparently report the support provided and mobilized, and we will not accept censoring our needs for financing for loss and damage or the fact that support for loss and damage is not being provided. Developing countries need to report on these needs in a matter that differentiates this support from adaptation and mitigation," it stressed.

"On the guidance for the operating entities, it is the responsibility of the COP to determine financial needs of developing countries. This information, now provided by the Standing Committee on Finance, needs to be the basis of the replenishment processes of the operating entities of the financial mechanism. A COP without clarity on finance, or an outcome of only empty or insufficient announcements that will create debt for developing countries, can never be a successful one," Guinea underscored.

It said, "On progress of the agenda item on the National Adaptation Plans (NAPs), the conflicting time schedules for the adaptation-related agenda items adversely affected the progress of work on national adaptation plans at this Subsidiary Bodies (SBs) session. Adaptation planning is a major channel for building resilience in developing countries and therefore we expect developed country parties to expedite actions on providing financial resources for developing countries to formulate and implement their NAPs. Glasgow without clear financial provisions for the NAPs will be a failure."

"On development and transfer of technologies, the Group of 77 and China is deeply concerned with the slow progress made and with the challenges faced by the Climate Technology Centre and Network (CTCN) in securing stable and sustainable financial resources to fulfill its mandates as the implementation arm of the Technology Mechanism. The linkages between the financial mechanism and technology mechanism needs to be strengthened to enable the scale-up of the transfer and deployment of climate technologies to support climate mitigation and adaptation actions in developing countries. The Group looks forward to satisfactory results from the CTCN Donor Roundtable on 8 November 2021 in Glasgow," it said.

"On the global stocktake (GST), the Group appreciates the willingness and flexibility shown by all Parties in recognizing that the lists of sources of inputs and information for the GST are non-exhaustive and may be further complemented by further sources and information. We are looking forward to the activities that will be undertaken in the GST so that we as Parties will have a better understanding of how we got here, where we are now, where we want to go and how to best achieve the objective of the Convention and the global goals under the Paris Agreement based on equity and taking into account the best available science," it emphasised.

"On agriculture, the Group is determined to pave the way for the Koronivia joint work on agriculture towards implementation to end a series of lengthy talks that has lasted for more than 8 years. We believe that the knowledge acquired from Parties will serve as a good start for implementation and will continue the course of discussions on future topics," it said.

"On loss and damage, more work still needs to be done to bring about convergence on the proposed functions for the Santiago Network that are still outstanding. The issue of loss and damage financing and the operational functions of the Santiago Network that reflect the needs and priorities of developing countries must be clearly reflected in the decision. We are concerned at attempts by developed countries to narrow the scope of the finance and technical assistance that we expect will be catalyzed by an operationalized Santiago Network," Guinea highlighted.

In closing, it said, "On the programme budget for the biennium 2022-2023, there must be a better balance between adaptation and mitigation. Adaptation-related as well as GST activities as well as new mandates reached at Glasgow are in the need to be funded from the core budget program budget for biennium 2022-2023."

Bolivia for the **Like-Minded Developing Countries (LMDC**) highlighted that "all we hear in the negotiations rooms, corridors and statements is ambition, ambition, ambition. We have heard our partners say that when they talk of ambition they mean ambition in mitigation, adaptation and means of implementation. However, there does not seem to be any appetite from our partners to unleash ambition when it comes to the decisions which we have seen through the first week of COP 26".

It informed that "our partners want a procedural decision on the new collective quantified goal on finance, they do not want to define climate finance, they do not want a separate decision on the global goal on adaptation, they are reluctant to include pre-2020 roundtables' report in the second periodic review and do not want to give theme 2 of the second periodic review its due importance, they do not want to talk about the loss and damage needs for developing countries. How can real ambition be achieved with such approach?"

Bolivia reminded that "if we do not learn from history, we are bound to repeat its mistakes. Glasgow is not the starting point of climate action for us, as is being portrayed. We come from Paris, Rio, Stockholm – let us not forget that. There is a history of broken promises and unfulfilled commitments by the developed countries, which has a very strong bearing on where we are at today in terms of temperature increase and its impacts. And, Science recognises this. Those who advocate for science cannot just look at the future and ignore the past. The two are interlinked. Our countries are undertaking ambitious climate action, in addition to addressing challenges of eradicating poverty and developing sustainably. The principles of equity and common but differentiated responsibilities are non-negotiable for us. As we go into week 2, we urge our partners to negotiate in good faith, and stick to mandates. We owe it to the thousands who have gathered here amidst a pandemic in hope. We cannot fail them. I urge my developed country partners to not be a roadblock to their hope."

It said that for the second week, "it is our firm view that technical negotations should be allowed to continue and given more time to complete the work, before the issues are sent to the Ministers".

It also expressed "concerns about the process and health of all negotiators" with the first week involving "inf-infs [informal informals] going on till late into the night". "We cannot afford to risk the health of our negotiators by making them work late nights – the pandemic is far from over," said Bolivia and hoped that the Presidency will "consider an approach that does not tax our negotiators unduly in the second week. On the process, there were several clashes and different consultations happening on related agenda items in parallel. This must be avoided".

Interventions were also delivered by Antigua and Barbuda for the Alliance of Small Island States (AOSIS); Bhutan for the Least Developed Countries (LDCs); Peru for the Independent Alliance of Latin America and the Caribbean (AILAC); Gabon for the Africa Group; Switzerland for the Environmental Integrity Group (EIG); Saudia Arabia for the Arab Group; India for Brazil, South Africa, India and China (BASIC); Papua New Guinea; Georgia; Indonesia; Bangladesh; and observer constituencies.

OUTLINE OF PROCESS DURING REMAINING WEEK

At the outset of the informal stocktake, Sharma invited the Chairs of the Subsidiary Bodies (SBs) to report back on the outcomes of their work, including issues that were not concluded. He also invited the UK's lead negotiator Archie Young to update work of the governing bodies and of the Presidency consultations on some of the issues to be resolved.

Tosi Mpanu Mpanu (Democratic Republic of the Congo), Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA), informed that Parties engaged in negotiations on 19 agenda items, concluding work on the Nairobi work programme on impacts, vulnerability and adaptation to climate change; Koronivia joint work on agriculture; sources of input for the GST under the PA; research and systematic observation; and second periodic review of the long-term global goal under the Convention and of overall progress towards achieving it.

He also informed that draft decisions were recommended on the joint annual report of the Technology Executive Committee (TEC) and the CTCN; on the second workplan (2022-2024) of the Local Communities and Indigenous Peoples Platform; and on the set of functions of the Santiago Network on Loss and Damage including its institutional arrangements.

Outstanding issues which required "further technical work and/or political interventions" were in relation to Article 6 of the PA (market/non-market mechanisms); enhanced transparency framework (ETF); report of the Adaptation Committee; and response measures.

Marianne Karlsen (Norway), Chair of the Subsidiary Body for Implementation (SBI), informed that substantive conclusions were adopted and draft decisions forwarded on the review of the Least Developed Countries Expert Group; national adaptation plans; review of the Adaptation Fund (AF); set of functions of the Santiago Network on Loss and Damage; action for climate empowerment; gender and climate; Koronivia joint work on agriculture; annual technical report of the Paris Committee on Capacity-building; and the Secretariat budget for 2022-2023.

Outstanding issues remained on the common time frames (CTFs) for nationally determined contributions (NDCs); report of the Adaptation Committee especially work on the global goal on adaptation; membership of the AF; and response measures.

Archie Young (UK) said that technical work on the critical issue of finance will continue on 8 and 9 November; initiation of work on the periodic assessment of support provided to the Technological Mechanism; work to continue on matters related to the Clean Development Mechanism (CDM) for a consolidated text by evening of 8 November and then moving into a full draft text; and on compliance (Article 15 of PA), the final contact group would be taking place on 8 November.

On the Presidency consultations, he informed to visit the website for Presidency updates and that consultations will continue the second week as well as start on other issues including on the governance of the Warsaw International Mechanism on loss and damage, the results of which will be reported back. He further said that the Presidency is working closely with the Secretariat to facilitate late night working the second week.

Following reporting back, **Sharma (UK)** outlined the organisation of work of the second week based on his "three-track" proposal published in his note of 4 November:

i. Continued technical negotiations on items under the governing bodies as well as a limited set of issues carried forward from the SBs, into which emerging political agreements can be incorporated;
ii. Continued Presidency consultations, including on the overarching cover decisions, as well as on issues raised during the opening plenaries of the COP, CMP (meeting of Parties to the Kyoto Protocol) and CMA (meeting of Parties to the PA), as appropriate; and
iii. Ministerial consultations which would focus on key, outstanding political issues.

As regards technical work, he expected the majority of the work to be concluded by 10 November and briefly highlighted how work will be taken forward on the outstanding SB items:

i. On the ETF, referred by the SBSTA to the Presidency, co-facilitators **Helene Plume (New Zealand)** and **Xiang Gao (China)** to continue to lead discussions on matters relating to Transparency of Action while co-facilitators **Seyni Nafo (Mali)** and **Karima Oustadi (Italy)** to lead on matters relating to Transparency of Support. Parties were encouraged to complete the bulk of the technical work by 8 November.
ii. On Article 6, SBSTA Chair **Mpanu (DRC)** to lead discussions on very limited number of issues on which technical progress can still be made and to use the time until 9 November after which all technical work will finish.
iii. On Adaptation referred to the COP and the CMA, SBI Chair **Karlsen (Norway)** to lead discussions to finalise the outstanding technical issues on the reports of the AC and complete work by 9 November afternoon.
iv. On the Consultative Group of Experts, referred by the SBI to the COP, Parties to continue to consider the matter under the guidance of co-facilitators **Gertraud Wollansky (Austria)** and **Sin Liang Cheah (Singapore)** and report back on 9 November.
v. On the functions of the Santiago Network on Loss and Damage, co-facilitators **Kishan Kumarsingh (Trinidad and Tobago)** and **Cornelia Jaeger (Austria)** to lead work and report back on 9 November morning.
vi. On membership of the AF Board, he would nominate a senior member of his delegation to further consult with interested Parties on the way forward [Update: **John Murton (UK)** to undertake these consultations.]
vii. On response measures, he would confirm who will lead continued consultations on the issue as a matter of priority [Update: **Peter Govindasamy (Singapore)** and **Paul Watkinson (France)** to undertake these consultations.]

On the Presidency Consultations, **Sharma (UK)** informed that a meeting of Heads of Delegation would take place on 8 November to continue discussions on the COP 26 "overarching decisions", informed by the Non-Paper Presidency Summary of possible elements identified by Parties published on 7 November.

He further said that "in keeping with longstanding UNFCCC tradition", he proposed to invite "pairs of Ministers to lead informal consultations on outstanding issues benefitting from political guidance", particularly those that the SBs could not resolve, adding that in choosing Ministers, he tried to ensure a balanced representation, not only among developed and developing countries but also gender balance.

i. On Article 6, Minister **Eide (Norway)** and Minister **Fu (Singapore)** to lead with a particular focus on the political issues, among these being adaptation finance in Article 6.2, accounting for units generated outside the scope of NDCs, and the use of pre-2020 units to meet NDCs. He would also continue to closely coordinate the work between Article 6 and the CDM.
ii. On the CTFs for NDCs, Minister **Mujawamariya (Rwanda)** and Minister **Sommaruga (Switzerland)** to lead with a particular focus on whether the final solution will be single time frame or not.
iii. To finalise the ETF, Minister **Joseph (Antigua and Barbuda)** and Minister **Shaw (New Zealand)** to lead with a particular focus on elements in the overarching ETF decision text.
iv. On Adaptation, Minister **Shauna (Maldives)** and Minister **Ribera (Spain)** to lead with a particular focus on taking work forward on the Global Goal on Adaptation.
v. On Mitigation and the issue of keeping 1.5°C within reach, Minister **Stiell (Canada)** and Minister **Jorgensen (Denmark)** to lead with

a particular focus on identifying tangible actions required from Parties, individually and collectively during this critical decade and beyond to keep 1.5°C within reach, using the latest available science as a guide.

vi. On Loss and Damage, Minister **Dieschbourg (Luxembourg)** and Minister **Charles Jr (Jamaica)** to lead consultations across relevant aspects of the agenda.

vii. On Finance, Minister **Fouad (Egypt)** and Minister **Bolund (Sweden)** to prepare for ministerial consultations on those outstanding issues where it is likely that higher level guidance will be needed. They would begin with chairing the plenary of the CMA High-Level Dialogue on Climate Finance on 8 November afternoon and conducting informal outreach to understand Parties' expectations. Parties would have 8 and 9 November to make progress on substantive issues, particularly concerning Long-Term Finance and the New Collective Quantified Goal, after which COP 26 Presidennt Sharma would hold a stocktake with the Ministers and co-facilitators to determine if, and where, Ministerial consultations on specific matters are needed.

Sharma also invited Minister **Meza (Costa Rica)** to support him and the co-facilitating Ministers, as a number of the issues are "linked, with the need to finalise outcomes in such a way as to ensure coherence".

Further, he informed that Ministers will carry out the consultations through "informal meetings" to allow for maximum flexibility and they may wish to issue "informal documents" under their own authority, should they feel this will help progress work.

"Our common objective is to adopt consensus decisions and conclusions on Friday [12 November] that will constitute the comprehensive, ambitious and balanced outcome of the Glasgow sessions," said Sharma, hoping that most of the "first texts" will emerge by 8 November evening. He also assured that he would hold "regular stocktaking meetings" to report on the status of negotiations and progress achieved, as well as issues arising. He emphasised that "the Presidency's door, my door in particular, remains open to all Parties".

In closing his remarks, COP 26 President Sharma stressed on his commitment to "adopt all decisions and conclusions by Friday 12 November" with full document availability in all UN languages, and expected "only very few issues to remain open by the evening of 10 November, when near-final texts" would be presented. He said that his priority for 11 November would be to bring the work together and resolve final outstanding issues, leaving time for document preparation.

TWN
Glasgow News Update 11
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Negotiations move to frenzied pace

Glasgow, 10 November (TWN) – As the Glasgow talks enter the final lap to close on 12 November, negotiations on all the outstanding issues have moved into a very frenzied pace, with negotiators dealing with bracketed draft texts in a flurry of meetings, including with ministers bilaterally, who have been tasked with resolving numerous contentious issues. The talks have been going on late into the night even as the risk of the COVID-19 pandemic persists, with a few delegates already in isolation after having tested positive.

The most controversial issues that remain relate to climate finance, the global goal on adaptation, common time frames for nationally determined contributions (NDCs), the cover decision especially in relation to keeping the 1.5°C goal alive, the enhanced transparency framework and Article 6 of the Paris Agreement (PA) relating to market and non-market approaches.

According to sources, in one bilateral session with ministers tasked with resolving matters, the meeting did not go on, as heads of delegations and negotiators from a developing country grouping were told that discussions would only be held with ministers and no one else. As the pressure mounts to reach compromises, frustration is growing among developing country delegates especially on matters related to climate finance.

CLIMATE FINANCE – FRUSTRATIONS MOUNT

There was a lack of progress on finance issues during discussions on 9 November, with developing countries expressing shock and disappointment at the stance of developed country negotiators.

Developed countries were bracketing paragraphs in relation to their obligations under the UNFCCC and the PA; raising questions around who should be providers and recipients of climate finance; refusing to entertain proposals on a multilaterally agreed definition on climate finance or doubling climate finance for adaptation; and not showing any urgency to arrive at a process on the new collective quantified goal on finance.

During a climate finance session on 9 November, **India** for the **Like-Minded Developing Countries (LMDC)** expressed surprise and frustration that developed countries had no appetite for engagement on the concerns of developing countries across all the finance items. It hoped that the COP 26 Presidency was taking note of this and expressed its “deepest frustration and resentment with the way things are happening here”.

In discussions on the new collective quantified goal on 9 November, **Ecuador** said the outcome on finance did not depend on “miracles”, adding that it was “shocked” to hear the discussions and hoped that developed countries showed the same level of “realism” of requiring time to discuss the new collective goal, as they did when it came to timelines on setting new mitigation obligations for developing countries.

Meanwhile, the **UK Presidency** communicated that the “technical” negotiators have a “hard deadline” of 7pm on Wednesday, 10 November to finish the finance negotiations.

Following the deadline, the Presidency is expected to meet co-facilitators of agenda items as well as ministers from **Egypt** and **Sweden** who are expected to co-facilitate ministerial consultations on outstanding finance issues where high-level guidance is needed.

This update presents a snapshot of the following four finance issues that were discussed in informal consultations on 9 November.

- Long-term climate finance (LTF)
- Matters related to the Standing Committee on Finance (SCF)
- New collective quantified goal
- Compilation and synthesis of, and summary

report on, the in-session workshop on biennial communications of information related to Article 9.5 of the PA

LONG-TERM CLIMATE FINANCE (LTF)

Key divergences among developed and developing countries on the LTF included on how to reflect language on the unfulfilled commitment by developed countries of the USD 100 billion per year goal by 2020; how adaptation finance is to be reflected in the decision; a multilaterally agreed definition of climate finance; and continuation of the LTF agenda item itself under the COP. The differences came to light in relation to a draft text presented to Parties by the co-facilitators of the agenda item.

For example, while the developing countries wanted to "take note" of the continued efforts of developed countries towards reaching the goal of mobilising jointly USD 100 billion per year by 2020, developed countries such as **Australia** and **Switzerland** wanted to "welcome" the continued efforts, even when the goal has not been met.

Then, in relation to a paragraph that urged developed countries to continue to provide climate finance towards achieving the USD 100 billion goal as soon as possible, developing countries proposed retaining "as soon as possible" since the agreed timeline by 2020 was overdue but developed countries such as the **United States (US)** said the final data for 2020 was not yet available and therefore the phrase "as soon as possible" was inappropriate.

On adaptation finance, the draft decision text contained language on the need for "doubling adaptation finance, including from public and grant-based resources on top of mitigation finance…". The **European Union (EU)**, **Canada** and the **US** proposed deleting the doubling reference in the text. The US further said that honing "grant-based" resources would be "bad for everyone".

In response, **Belize** for the **Alliance of Small Island States (AOSIS)** said adaptation gets maybe 20-25% share of the total climate finance and there is a significant gap. Referring to the World Leaders Summit held during the start of the Glasgow talks, it said that "Every single leader's statement from the developed world mentioned scaling up adaptation finance. It is shocking to hear the EU, US, Canada suggest deleting a phrase where we want the adaptation finance trajectory to reach." Other developing countries supported Belize in retaining the reference to doubling adaptation finance. **Bangladesh** further proposed that the language should read "at least doubling adaptation finance".

In relation to the definition of climate finance, the proposals in the draft decision text included drawing attention to the lack of a multilaterally agreed definition of climate finance and acknowledging its importance for clarity and accountability of financial flows from developed to developing countries; requesting the SCF to do further work on the definition of climate finance; and stressing that climate finance shall include certain elements (the elements included: "resources must be new and additional"; "resources shall be climate-specific"; and "resources shall be grant, concessional loans and guarantees/other instruments that ensure concessional finance").

The **US** proposed alternative language: "Takes note of the definitions of climate finance provided by Parties in their NDCs, NATCOMs (national communications), BRs (biennial reports) and BURs (biennial update reports) and encourages Parties to enhance clarity and transparency of their definitions to facilitate greater understanding and harmonisation over time."

The **G77 and China sub-groups** proposed sticking to the proposals in the draft text and stressed on the need for a "multilaterally" agreed definition rather than on how each Party defined climate finance and said the rationale for their call is the lack of accountability to determine what climate finance is without such a definition. However, the developed countries continued to be opposed to a common climate finance definition. Further, the **EU, the US and Japan** said that the issues should be discussed in the agenda item on the SCF matters rather than discussing them under the LTF.

In relation to the continuation of the LTF agenda under the COP, two options were presented. One was to continue discussions with a proposal to "establish a measurement and tracking platform…with the objective of tracking progress and fulfilment of the goal of mobilizing jointly USD 100 billion per year by 2020 under the Convention, including the preparation of an official synthesis report on the delivery of this goal…in 2022…as well as annual UNFCCC synthesis reports that assess the delivery of this goal from 2020-2025, and which constitute inputs to the global stocktakes in 2023 and 2028".

The developing countries' preference was for the LTF to continue, but developed countries led by **Switzerland** preferred the second option that the deliberations on LTF had ended in 2020.

The co-facilitators are expected to issue a fresh iteration of the draft text and consultations are to continue on 10 November.

MATTERS RELATED TO THE STANDING COMMITTEE ON FINANCE (SCF)

A key divergence was in relation to whether to mandate work to the SCF on the operational definition of climate finance. The paragraph concerned read: "Underlines that the lack of a universal climate finance definition represents an outstanding challenge for the provision and mobilization of climate finance and requests the Standing Committee on Finance to continue its technical work on operational definitions of climate finance…"

(According to decision 11/CP.25 adopted in Madrid in COP 25, the COP had underscored "the important contribution of the SCF in relation to the operational definitions of climate finance", and invited Parties to submit…their views on the operational definitions of climate finance for consideration by the SCF in order to enhance its technical work on this matter in the context of preparing its 2020 Biennial Assessment and Overview of Climate Finance Flows. Following the submissions, the SCF included a section on the definition issues in its 2020 Biennial Assessment and Overview of Climate Finance Flows. At the latest SCF meeting held in October 2021, developing countries had called for COP recommendations to the SCF to continue work on the definition of climate finance. However, developed countries did not agree, and the recommendations of BA 2020 could not be adopted. See related update.)

During the discussions on the SCF, the **Africa Group**, the **LMDC** and the **Least Developed Countries (LDCs)** stressed the need for the SCF to continue its work on the definition and spoke about its importance for accounting and measuring what really is climate finance. However, **Canada**, the **US** and the **EU** did not agree to give any mandate to the SCF to work on the definition.

The co-facilitators are expected to share another iteration of the draft text on 10 November.

NEW COLLECTIVE QUANTIFIED GOAL

In relation to the collective goal, key divergences included the organisation of work; whether the deliberations should reflect a quantum mobilisation target; and the timeline to complete deliberations on the goal. Other issues such as who should be the providers and the recipients of the goal, raised by **Australia**, **the US** and **Switzerland**, led to a sharp counter by developing countries during the discussions. They said that it is clear in the PA that developed countries will provide and mobilise support and developing countries will receive such support.

On the organisation of work, three options were presented in the draft text. One was an ad hoc committee including its terms of reference; the second one was an ad hoc working group with its terms of reference; and the third option was workshops in 2022, 2023 and 2024.

(The ad hoc committee's terms of reference (ToRs) included having two Co-Chairs, with members from UN regional groupings and work being initiated in 2022 and the committee submitting its first report to the CMA in 2022, among other details. The ad hoc working group's ToRs included having two Co-Chairs with the first meeting to be convened in March 2022 and holding two physical meetings a year in addition to meetings in parallel with the subsidiary bodies of the Convention, among other details.)

The **Africa Group**, **LMDC** and the **LDCs** were in favour of the ad hoc committee, while being flexible to discuss the ad hoc working group provided the ad hoc working group laid down a clear process. The **Independent Alliance of Latin America and the Caribbean (AILAC)**'s preference was for the ad hoc working group and they said the committee would not be inclusive and for them the third option of workshops was "not even an option for negotiations". The **Alliance of Small Island States (AOSIS)** preferred the ad hoc working group, but with adjustments to the ToRs. **ABU (Argentina, Brazil and Uruguay)** preferred the ad hoc committee but with changes to the ToRs.

The **EU**, **Switzerland**, **Japan** and **Australia**, however, expressed their preference for workshops under option 3 as the means to organise work on the collective goal. Australia though added that these workshops would not be a two-hour workshops twice a year, and these will have to be designed in a manner that gets "political steer" from the CMA (Conference of Parties to the PA).

On whether the deliberations should reflect a quantum mobilisation target, there were three options presented in the draft text. The first option reflected setting a new collective quantified goal from a floor of USD 100 billion per year; the second option stated "an ambitious figure…that includes the quantity, quality, and access features and targets of the goal as well as the transparency arrangements"; the third option stated that "deliberations on the quantum mobilization target should start from range of a commitment by developed countries to mobilize jointly at least USD 1.3 trillion per year by 2030, of which 50% for mitigation and 50% for adaptation and a significant percentage on grant basis from a floor of USD 100 billion, taking into account the needs and priorities of developing countries".

The **Africa Group**, **LMDC**, and the **LDCs** had a clear preference for the third option with a quantified number. **AILAC** and **AOSIS** preferred option 2, while the **EU**, **Switzerland**, the **US**, **Japan** and **Australia** were in favour of option 1. According to them, the third option "prejudged" negotiations on the matter.

On the timeline, the draft decision proposed concluding the deliberations in either 2023 or 2024. The **Africa Group**, **LMDC**, **AOSIS** and **LDCs**' preference was 2023, while the EU, Switzerland, US, Japan and Australia's preference was to conclude deliberations in 2024.

The **Africa Group** and **LMDC** highlighted the need to conclude deliberations early on since it would have a bearing on the second round of submission of Parties' NDCs (in 2025). However, the developed countries' approach was that a lot of deliberations were needed, including on providers of finance for the goal, and there was no need to rush to conclude deliberations in 2023.

Parties are expected to engage further on 10 November to find resolutions on the key divergences.

BIENNIAL COMMUNICATIONS OF INFORMATION RELATED TO ARTICLE 9(5) OF THE PA

Key divergences that arose included language on the preamble of the draft decision text proposed; highlighting concerns around missing elements from the first biennial communications of developed countries and calling on developed countries to improve information in certain specific areas; developed countries' calls to developing countries to submit biennial communications; and possible guiding topics for biennial in-session workshops in 2023.

(Article 9.5 mandates developed countries to biennially communicate indicative quantitative and qualitative information on the provision and mobilisation of projected levels of public financial resources to be provided to developing countries. The first biennial in-session workshop on the biennial communication of information in this regard was organised in June this year, following which the Secretariat released a summary report. During the workshop, participants shared views on the information included in the first biennial communications and discussed how to improve the predictability and clarity of information on financial support for implementing the Paris Agreement. Developing countries had expressed then that the information provided by developed countries was still not adequate enough to enable them in their climate action plans.)

In relation to the preamble, **the European Union** proposed deleting language pertaining to underlining the importance of Article 9 of the PA and "recalling the obligation to provide new and additional financial resources taking into account the need for adequacy and predictability in the flow of funds". **Argentina, Brazil and Uruguay** (**ABU**) and the **LMDC** objected to the EU's proposal, stating these were important for clarity and they set the context.

Another paragraph that proved contentious read: "Recognizes with concern that not all developed countries provided the types of information in accordance with Article 9.5 and decision 12/CMA.1 as specified in the annex."

The **EU** proposed rewording the paragraph to read: "Recognizes with concern that not all developed countries provided on time...". It said it did not understand what "types of information" referred to in the paragraph. **Australia** supported the EU and added that not all the types of information listed in the annex of decision 12/CMA.1 were mandatory.

The **LMDC** and **ABU** objected to the EU's proposal and stressed that mentioning types of information is relevant since the aim is to have as much granular and clear information which the first round of biennial communications by the developed countries did not provide.

Another related paragraph called on the "developed countries to include all types of information specified in the annex to decision 12/CMA.1 in preparing their second biennial communications in 2022", "including on quantitative and qualitative information on programmes, including projected levels, channels and instruments"; "indication of new and additional resources to be provided, and how it determines such resources as being new and additional"; and "relevant methodologies and assumptions used to project levels of climate finance".

Developed countries, however, were reluctant to engage on the paragraph. Their rationale was that the communication of information in the annex was "as applicable" and "as available" and therefore they did not see the point of listing out selective elements from the annex.

Developing countries, however, stressed the need for such information from developed countries for clarity and granularity. The **Africa Group** spoke about the importance of progression in Article 9 and said subsequent rounds of developed country communications must reflect this progression and this must be captured in the decision.

Another paragraph that became contentious read: "Notes that no submissions of such biennial communications have been made by other Parties providing resources and encourages other Parties providing resources to also communicate biennially indicative quantitative and qualitative information related to Article 9.1 and 9.3, of the PA, as applicable, on a voluntary basis."

The **US** said that this was a critical paragraph and instead of "Notes", to state "Notes with concern". The **LMDC, ABU** and **China** objected to the inclusion of the paragraph.

India for the **LMDC** said they could not understand the logic that developed countries preferred not to address the types of information that they did not submit, and yet they were pushing for noting with concern about information that is purely voluntary. "This is against the principle of common but differentiated responsibilities," it said.

Another contentious paragraph was in relation to the biennial in-session workshops in 2023, with possible guiding topics for discussions. The topics included how grant-based resources for adaptation were being taking into account; information on types of financial instruments to mobilise and provide resources; how channels will be used to mobilise and provide resources, among others.

Canada, **the US**, **Australia**, **the EU** and **Switzerland** did not agree with retaining the paragraph and said that since the workshop would be held in 2023, Parties could look at the topics next year. Developing countries, however, were in favour of retaining the paragraph, including the possible topics for the workshop.

Following the discussions, the co-facilitators said they would issue another iteration of the draft text on 10 November and discussions will continue. Whether and how compromises will be reached will be watched closely, as the clock ticks away.

TWN
Glasgow News Update 12

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Historical responsibility of developed countries for climate crisis cannot be ignored

Glasgow, 11 November (TWN) – Developing countries reminded the developed countries that they cannot talk about future emissions without addressing their historical and past emissions which had contributed to the climate crisis. The principles of equity and common but differentiated responsibilities (CBDR) between developed and developing countries recognised in the UNFCCC and the Paris Agreement (PA) were not negotiable and are not mere slogans but must be reflected and operationalised in the decisions taken in Glasgow, said the developing nations.

They also pointed out that 60% of the carbon space had been occupied by developed countries with only 18% of the world population and that the historical responsibility of the developed countries in causing the climate crisis could not be ignored, stressing further that in the context of the concept of equitable distribution of atmospheric space, Parties could not just could talk about future emissions and not address the past.

These remarks were made by **Bolivia** on behalf of the **Like-Minded Developing Countries (LMDC)** at the ongoing climate talks in Glasgow on 10 November, in response to draft texts presented by the UK Presidency on the overarching or cover decisions (referred to as 1/CP.26, 3/CMA.1 and 1/CMP.16), corresponding to the three governing bodies, COP 26, third session of the Conference of Parties to the Paris Agreement (CMA 3) and the 16th session of the Kyoto Protocol Parties (CMP 16).

Similar sentiments were also reflected by **BASIC (Brazil, South Africa, India, China)**, the **Africa** and the **Arab groups** and **Argentina**, **Brazil** and **Uruguay (ABU)**. They also referred to the texts as being "imbalanced" and "mitigation-centric", calling on the Presidency to provide draft texts that reflect the spirit of the PA rather than introduce new concepts and ideas that departed from the mandates under the Convention and the PA.

Other developing country groups such as the **Alliance of Small Island States (AOSIS)**, the **Least Developed Countries (LDCs)**, **and the Independent Alliance of Latin America and the Caribbean (AILAC)** supported the mitigation section of the draft texts and called on the Presidency to strengthen language on finance, adaptation and loss and damage. Developed countries' interventions also supported the mitigation section of the draft texts and proposed strengthening it further. Nearly all the groups said they would send their written comments to the Presidency.

The developed countries on the other hand were happy with the texts on mitigation. The **United States (US)** did not want any reference to the principle of CBDR in the operational paragraphs of the draft decisions, nor for any references to the "carbon budget".

Bolivia for the **LMDC** also said the draft texts were mitigation-centric, with not enough emphasis on adaptation, finance, loss and damage, technology and capacity-building and that it was not in a position to support the draft texts in their current form. It emphasised that the draft texts were an attempt to rewrite the PA, and introduced concepts such as nature-based solutions (NBS) that the Parties to the UNFCCC had not discussed. Bolivia said that the mitigation section attempted to develop parallel processes instead of following the PA. It gave the example of proposals such as a work programme to scale up mitigation ambition, calls for annual updates to NDCs and getting together the high-level authorities involved in summits. The PA has a clear roadmap for implementing NDCs which must be respected, it said, adding that the draft texts were drafted in a manner as if to shift the historical responsibility of the Annex 1 countries (developed countries in the Convention) to non-Annex 1 countries and it could not accept this. "Equity and CBDR are not negotiable for us. These are the key pillars of the Convention and the PA," emphasised Bolivia.

It also said that the draft texts did not address the lack of fulfilment of the pre-2020 commitments by developed countries, and did not agree to the introduction of new goals such as net zero by 2050 for each country in the draft text, and called on developed countries for real emission reductions by 2030. It reminded Parties that the cover decisions were not a "shopping list".

Bolivia stressed that mitigation is a collective effort, with differentiation among Annex 1 and non-Annex 1 countries. "At COP 26, it seems we will delete the concept that developed countries will take the lead. It seems there is an attempt to rewrite the Convention and the PA," said Bolivia further.

India for the **BASIC** also said that balance was lacking in the draft texts and the mitigation section offered a highly "prescriptive" approach via proposals such as revising NDCs by 2022, annual ministerial roundtables on mitigation and regularly updating long-term strategies (LTS), adding that the same approach was not reflected in finance. It also emphasised on the role of historical cumulative emissions, adding that while future emissions would have an impact, the draft texts should speak to the cumulative stock of emissions that have caused a temperature increase of 1.1°C compared to pre-industrial levels. Principles of equity, CBDR and national determination need to be emphasised in several critical aspects of the draft texts, said India, adding that nature is a victim of global warming.

On references to fossil fuels in the text (which refers to calls on Parties "to accelerate the phasing out of coal and fossil fuel subsidies") India said that all fossil fuels need to be phased out, particularly by the developed countries and developing countries need to be able to use their fair share of the global carbon budget in the context of sustainable development and poverty eradication. It added that attempts to renegotiate the PA or set a new NDC enhancement regime would not have support from the BASIC countries. It also stressed that the unfulfilled pre-2020 commitments of developed countries should not be passed to the developing countries and that the core issue was the overuse of the carbon budget to maintain the temperature goals of the PA which must be addressed.

The **Africa Group** stressed that the draft texts must be in line with the Convention and the PA's legal obligations and guiding principles for implementation and lamented that the texts did not acknowledge that the largest share of historical and current global emissions of greenhouse gases originated in developed countries. Africa further said that most of the paragraphs on finance, technology and capacity-building were "non-operative" clauses and would not facilitate ambition and implementation. The Africa Group also said that the UNFCCC is the formal process for agreement on obligations to address climate change and expressed concern that other parallel initiatives might overshadow important work under the UNFCCC. In relation to net zero, the Africa Group said that text should recognise that peaking of greenhouse gas emissions would take longer for developing countries and for mitigation efforts to be reflected on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty.

Saudi Arabia, speaking for the **Arab Group**, also said that the texts were not acceptable since they were diverging from the Convention and the PA. They said further iterations of the text must ensure a balance between mitigation and adaptation as well as in the reflection of the temperature goal.

The **ABU** said it favoured strong language on CBDR, which is the key pillar of the PA, and cautioned against introducing concepts that were not multilaterally defined. The group also suggested that the PA must not be rewritten and that some of the paragraphs proposed under the mitigation section were not in line with the PA. They further added that the PA had in place processes such as the Global Stocktake which would assess global efforts and that there was no need for new processes or ministerial roundtables on ambition.

The other G77 sub-groups such as **AOSIS**, **LDCs** and **AILAC** stressed on mitigation ambition and supported references to "science", "ambition", 1.5°C and revision of NDCs, role of youth and non-state actors in the draft texts.

The **US's** description of imbalance was that there were "four times as many references to adaptation" compared to mitigation and "three times as many references to finance" compared to mitigation in the draft texts. The US added that it did not support references to "carbon budget" and would propose alternative language and other suggestions to the COP Presidency in writing. The US also said references to adaptation finance should be an "individual, rather than collective goal". It lent its support to the mitigation section of the draft texts as a "floor for further work" and wanted language on CBDR taken out of the operative paragraphs and reflected only in the preamble.

The **European Union (EU)** supported references to NBS and stressed on the importance of science, ambition and keeping 1.5°C alive. The EU also supported proposals establishing a work programme to scale up "mitigation ambition", leaders' summits on ambition, for long-term strategies to be line with 1.5°C and a ministerial roundtable at COP 27.

Switzerland for the **Environment Integrity Group (EIG)** supported the mitigation elements in the text and suggested including text calling on Parties to explain how their NDCs were compatible with 1.5°C and that "major economies" must be called on to take the leadership in reduction of emissions.

Following the discussions, the COP Presidency concluded that they would work on new versions of the draft texts which would be released "as soon as possible".

Intense negotiations will continue on the cover decisions, with two days remaining for Parties to arrive at decisions in Glasgow.

TWN
Glasgow News Update 13

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Concerns over mitigation pathway to 'carbon colonialism'

Glasgow, 12 November (Evelyn Teh and Meena Raman) – As the Glasgow climate talk enters its final day of scheduled conclusion on Friday, 12 November, groups of Parties were in intense bilateral consultations on 11 November with ministers (tasked with resolving divergences between developed and developing countries), on the remaining issues relating to the overarching cover decisions, mitigation, adaptation, loss and damage, finance and Article 6 of the Paris Agreement (PA) on market and non-market approaches.

The bilaterals with ministers continued till late at night as negotiators battle into the finish line, hoping that their demands and concerns will be reflected in the final texts which are expected to be released sometime on Friday, 12 November.

Meanwhile, COP 26, the CMA (meeting of Parties to the PA) and the CMP (meeting of Parties to the Kyoto Protocol) convened evening of Thursday to gavel the decisions forwarded from the Subsidiary Bodies which had been agreed to and were not controversial.

As the hours go by, many along the corridors are wondering if the talks will conclude on Friday as planned, or will spill over into the weekend (as has been the case in previous COPs), as wrangling among Parties continue.

As pressure to conclude intensifies, the Like-Minded Developing Countries (LMDC) held a press conference morning of Thursday (11 November), to provide the group's reflections on the negotiations and expressed concerns over what was viewed as a pathway to advance "carbon colonialism".

Dr Diego Pacheco from **Bolivia**, who is the spokesperson for the LMDC, explained that the group represents almost half the world's population, and recognised the critical problem of the climate crisis. He said that the group fully agreed that there is a need to increase ambition, but this is not only in mitigation but also in adaptation, and in the means of implementation viz. the provision of finance, technology transfer and capacity-building for developing countries.

He elaborated that the largest share of the historical emissions originated in developed countries, and they have the historical responsibility for causing the climate crisis and should take the lead in combating climate change.

On the issue of limiting temperature rise to 1.5°C, Pacheco explained that 80% of the carbon budget has already been exhausted, and of that, 60% is the responsibility of developed countries, which only represents 18% of the world population.

He underscored that this fact should clearly establish that developing countries are not equally responsible for the emissions gap (resulting from the aggregate effect of the emission reduction targets of all countries in their nationally determined contributions under the PA and the reductions needed globally to limit temperature rise).

Explaining further, Pacheco said that developed countries have overused their domestic carbon space and are now using up the remaining carbon space of developing countries, which are needed for their development rights and for the protection of Mother Earth. He stressed that this fact is key to the understanding of the LMDC position.

He added that there is very little carbon budget left for developed countries, and it is unfair to pass the burden of climate change to the developing world. "For the LMDC, history matters, and it is vital to understand and put this into context in the discussion on ambition in mitigation," he said further.

Pacheco also said that developed countries have had a history of breaking their promises under the UNFCCC and the Kyoto Protocol in reducing their emissions to the levels agreed to, and that commitments for climate finance were also not fulfilled.

He highlighted the delicate balance reached under the Paris Agreement (PA), particularly in implementing and operationalising the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) in the context of national circumstances.

Pacheco also explained that the climate crisis for the developing world is closely related to sustainable development and poverty eradication, which is also recognised in the PA. In that regard, inclusive multilateralism is required to understand that the basis for addressing climate change is the UNFCCC and the PA. He stressed that there is no need to reinvent or rewrite the latter at COP 26, and that this is entirely unacceptable.

NEW RULES TO DISMANTLE CBDR AND ADVANCE CARBON COLONIALISM

Pacheco also pointed out that the world has arrived at the point of choosing between two pathways: carbon colonialism or good faith for the planet, people and Mother Earth.

He said, "The carbon colonialism pathway is very risky for the world, in particular the developing countries. This pathway implies moving forward with the narrative pushed by the developed countries to address climate change, which only focuses on a mitigation-centric approach. The developed countries are attempting to impose new rules of net zero by 2050 for all the countries. This implies a new target for the developing world and no recognition of equity and CBDRRC, which effectively transfers the developed world's responsibility to the developing world."

Pacheco emphasised that the LMDC "will not accept the changing of the principle of common but differentiated responsibility into common and shared responsibility, as there should be differentiation and the recognition of CBDR in the negotiation process, including recognition of the pre-2020 ambition gap. If net zero by 2050 is accepted, the developing world will be trapped in a very unjust situation to address climate change as only the developed world will have the conditions, financial capabilities and technology conditions to ever achieve that target".

He stressed that "the developing world needs to fight against carbon colonialism, which is very risky for their countries and completely ignores the historical responsibility in climate change", adding that "developed countries are requested to achieve real emissions reduction immediately by 2030 instead of making distant 2050 targets".

"The developed countries are currently pushing very hard on the 1.5°C narrative that will lead them to control the world, whereby Parties that cannot achieve the target by 2050 will be financially and ethically condemned. This is against climate justice, and it is unacceptable that the COP26 will be the scenario for transferring the historical responsibility of developed countries to developing countries," said Pacheco further.

KEEPING THE PA ALIVE TO KEEP 1.5°C ALIVE

The LMDC spokesperson also stated that developed countries do not want to engage in real and meaningful discussions on finance and that this is part of the "carbon colonialism pathway", where their responsibilities and commitments under the Convention and the PA are being watered down and diluted.

Pacheco also stressed that "the LMDC is against having parallel processes to the already agreed processes under the PA, which is an attempt to introduce new procedures to push Parties to get on with the narrative of achieving the 1.5°C limit", adding that "the LMDC attempts to bring balance to these discussions on the understanding of mitigation ambition at COP26".

For the "other pathway of good faith, for the people, the planet and Mother Earth", the LMDC spokesperson reiterated that "there is no need to reinvent or rewrite the PA as it has the key provisions and key principles of equity and CBDR" and its implementation is what the negotiations should be addressing. Pacheco added further that "finance is not charity, but is an obligation of the developed countries to the developing world".

He also said that the LMDC is fighting very hard to operationalise climate justice, adding that "climate change is not an opportunity to improve businesses. Climate change is a problem for the people, and the COP needs to solve the problems of livelihoods of the local people".

The LMDC spokesperson emphasised that "the issue at COP26 isn't about keeping the 1.5°C alive, but rather it is to keep the PA alive, in order to keep the 1.5°C alive".

He called on the UK Presidency not to "pick, and choose paragraphs of the PA" but "to take into account the PA in a holistic perspective".

FRAGMENTED COVER DECISION

In response to a question on the cover decision put out by the UK Presidency, particularly on the section on mitigation, Pacheco explained that the proposal presented a very fragmented understanding of what the PA is about, especially in view of issues relating to mitigation, adaptation, finance and so on. "While some ideas can be adjusted regarding adaptation and loss and damage, and finance", he said there are major concerns with the section on the mitigation ambition that attempts to shift the responsibilities from the developed world to the developing countries. "The text addressed the idea of climate change as a collective effort without considering the operationalisation of equity and CBDR in enhancing mitigation."

In response to a question related to the annual revisiting of the national efforts, including the revisiting of NDCs, Pacheco explained that the PA already provided "for existing processes in a very structured way which needs strengthening", instead of challenging the process which has been agreed on already. (Pacheco was referring to the Global Stocktake [GST] process provided for in Article 14 of the PA, which is a collective assessment of the progress made by Parties in reaching the goals of the PA, including on mitigation, adaptation and the means of implementation, in the light of equity and best available science. The first GST will take place in 2023 and Parties in Glasgow have been discussing the process for this.)

On a question relating to the phasing out of coal and fossil fuel subsidies, the LMDC spokesperson said that "this is an important issue as it is key to address climate change, but it must be considered in a context of an equitable scenario. The transition away from fossil fuels must be developed with the consideration of equity" and "this implies more understanding on the means of implementation and finance that is required for an equitable transition faced by countries in the developing world".

On the issue of loss and damage, Pacheco said that it is critical to recognise that "it is not just about creating new entities and work programmes, but the real need is to have additional financial support for loss and damage".

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High drama at adoption of Glasgow Climate Pact

Glasgow, 15 November (Meena Raman and Prerna Bomzan) – It was a night of high drama at the conclusion of the Glasgow climate talks, late night on Saturday, 13 November, ending a day later than the scheduled finale, before the adoption of the "Glasgow Climate Pact".

The Pact was heralded as a "historic deal" by the UK's COP 26 President **Alok Sharma** and the UNFCCC's Executive Secretary **Patricia Espinosa**, mainly for the first-time mention in a COP of a call to all countries in "accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies, while providing targeted support to the poorest and most vulnerable in line with national circumstances and recognizing the need for support towards a just transition".

The text, prior to the final decision being gavelled, referred to a "phase-out" of "unabated coal" and did not have any reference to a "provision of targeted support for the poorest and most vulnerable", which were insertions proposed by India and supported by **China**, during the formal plenary of the COP, after Sharma informed Parties that there were consultations that went on among some delegations in this regard to accommodate the changes proposed.

This erupted in an outcry from the **Environmental Integrity Group (EIG)** led by **Switzerland**, the **European Union (EU)** and the **Alliance of Small Island States**, who called the process un-transparent and disappointing, but nevertheless, accepted the adoption of the Pact. In response, **Sharma** apologised to Parties and almost broke down, pleading for consensus on the deal saying "it is vital that we protect this package", leading to the gavelling of the decisions.

(Right from the onset of the talks that began on 31 October, developing countries had been pleading for the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) between developed and developing countries, enshrined in the UNFCCC and the Paris Agreement (PA), to be respected and operationalised in the Glasgow decisions, given the developed nations' historical responsibility for past and cumulative emissions. This proved to be a monumental task, reflecting the conundrum over the "coal" decision. Developed countries in their interventions spoke of "shared responsibilities" and not "differentiated responsibilities" and focused on future emissions and not past emissions.)

The package of decisions adopted in Glasgow saw the expression of much disappointment from developing countries, who had very small gains through hard-fought battles as they faced the might of the **United States (US)**, mainly over issues of finance in general and in relation to addressing loss and damage and adaptation. (See further details below.)

Many developing countries such as the **Like-Minded Developing Countries (LMDC)** and the **Africa Group** expressed concerns that the Glasgow Climate Pact was mitigation-centric with little to show on the means of implementation for developing countries.

In response to texts in the Pact on "keeping the 1.5°C goal alive", the **LMDC** in particular pointed out (during the informal stocktake plenary) that calls for net zero targets by 2050 by all was a "great fallacy" and a "great escape by the developed countries" from "doing real rapid emissions reduction now" and that this amounted to "carbon colonialism".

Prior to convening the formal plenary on Saturday evening (13 November) to adopt the decisions, Sharma first convened an informal stocktake plenary, during which time Parties provided their reflections on the texts which the COP President had presented to them morning of the same day.

AT THE INFORMAL STOCKTAKING PLENARY

After presenting his latest texts of draft decisions, **Sharma** invited Parties to "join together" to bring their collective effort towards "successful conclusions". He had pointed out that these decisions chart out "tangible next steps and very clear milestones" across the "three pillars of mitigation, adapation and finance", guided by "equity and CBDR".

More importantly, he said that these texts are a way forward on the three outstanding elements of the PA's work programme viz. on Article 6 (cooperative approches involving market and non-market approaches), the common time frames (CTF) for nationally determined contributions (NDCs), and the enhanced transparency framework (ETF).

Guinea for the **G77 and China** appreciated "the recognition that accelerated action in this critical decade is on the basis of the best available scientific knowledge and equity, reflecting CBDR-RC, in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty".

On Article 6.2 of the PA on the share of proceeds for the Adaptation Fund (AF), it remarked that this issue had been very important for developing countries, and that it was important for the Group's concerns to be appropriately reflected.

(The G77 and China had been calling for a mandatory provision of a share of proceeds to the AF from the Article 6.2 cooperation between Parties. The final decision adopted did not reflect this call, but instead only "strongly" encourages Parties "to commit to contribute resources for adaptation, in particular through contributions to the AF". There was firm oppostion from the US for a mandatory provision in this regard.)

"On loss and damage, we are pleased with the progress towards the further operationalization of the Santiago Network in terms of agreement on its functions. This is a solid outcome of COP26 in terms of further institutionalizing loss and damage issues under the Convention and its PA. The spirit of solidarity, flexibility, and compromise shown by all Parties in the negotiating rooms to move this issue forward in solidarity with the peoples and communities suffering loss and damage from the adverse effects of climate change is the spirit that we must maintain," Guinea said.

It, however, expressed "extreme disappointment with paragraphs 73 and 74 on a dialogue related to loss and damage". This, it said, was very far from the concrete call the Group had pushed for in terms of a "Loss and Damage (LD) facility" that it sought in Glasgow. "In the spirit of compromise, we will be able to live with these paragraphs on the understanding that it does not reflect nor prejudge the unequivocal outcome that we seek on finance for loss and damage to reach the most vulnerable, which due to history and human rights and basic common decency the G77 and China will continue to pursue. To this end, we understand that the dialogue referred to in paragraphs 73 and 74 has as its end goal the establishment of the LD facility," Guinea pointed out.

(The US was again firmly opposed to any decision on finance associated with loss and damage.)

On finance, Guinea reiterated that "a COP without a concrete outcome on finance cannot be deemed a success. We appreciate the balance that has been achieved in these texts with respect to the processes for our continued work on the issues of long-term finance and the new collective quantified goal. We also reiterate that filling the gap in the fulfilment of the existing USD 100 billion remains the responsibility of developed countries".

On the work in relation to the global goal on adaptation (GGA), it appreciated "launching the two-year work programme on the GGA that we have called for. Work on this issue has been too long delayed and this needs to be fast tracked through such a work programme".

In relation to the ETF, Guinea commented on "the hard work that has been done to arrive at a balance that reflects the views of various Parties".

Bolivia for the **LMDC** expressed deep concerns on the texts and proposals, but "in the spirit of compromise in order to increase ambition, we are able to support the documents and move forward".

It said it worked very hard to hold back "the unfair push to transfer responsibilities to the developing world" by the developed countries and "preserve CBDR and equity", hence achieving a "delicate balance" in the cover decisions.

It pointed out concepts in the texts such as "net zero by 2050" which it said is a "great fallacy" to achieve the 1.5°C goal and a "great escape by the developed countries" from their responsibilities to climate change. "Developed countries continue to use the carbon budget that belongs to the developing world and this is not fair," it lambasted, calling for the need to "push developed countries to achieve real emissions reduction now" since that is the direction to provide "real solutions" for climate change.

"We need to enforce commitment to enhance ambition by the developed world in order to keep the development rights of the developing countries alive," Bolivia said and further proclaimed that "as LMDC, we refuse to get trapped in carbon colonialism", berating that the developed countries were trying to create "new rules of the game". It said that only the developed countries have conditions to transition to low-carbon economy due to their financial conditions and technological capabilities.

Bolivia expressed concerns that the powerful and rich countries are still refusing to provide financial support to developing countries and that it fought hard to keep the connection of the 1.5°C goal commensurate with the means of implementation (finance, technology transfer and capacity-building). "There is no appetite by developed countries to address their historical responsibility and pay their climate debt to the developing world," it said and added that at the "next COP, we need more commitment by developed countries to finance".

It also highlighted the need to preserve the "language, principles and provisions of the UNFCCC" and refrain from deviating by using "new language" such as "processes" under the Convention instead of the term "provisions".

Gabon for the **Africa Group** said that it came to Glasgow to create an ambitious and balanced agreement focusing on mitigation, adaptation, loss and damage and finance. However, in the run-up, "much focus" is on the 1.5°C goal and mitigation. It welcomed the work programme on the GGA. It also called for a "review" of the USD 100 billion goal under the COP and sought more assurance from developed country partners on the delivery of finance as a critical issue. Gabon also said that it faces huge financial and technological challenges to the climate problem that it did not create and highlighted the debt burden of developing countries.

Antigua and Barbuda for the **Alliance of Small Island States (AOSIS)** said that its priorities which included elements in mitigation and loss and damage were not there in the package, which was extremely disappointing, but it could move forward "in the spirit of compromise". **Bhutan** for the **Least Developed Countries** urged all to "adopt the text" although it is "not balanced", considering the high expectations for ambition in line with the 1.5°C goal to its assurance for finance as well as the LD facility for finance.

China said it had "no intention to open the texts again" although they were "by no means, perfect" but on the paragraph regarding the issue of coal and fossil fuel subsidies, it suggested that the language could follow the recent US-China Joint Declaration as well as of the G20 Declaration so that "all Parties" can accept the text.

India said that "consensus remains elusive" and that it sought for "just and equitable solutions" and pointed out that the climate crisis is caused by "unsustainable lifestyles and wasteful consumption patterns". It said that "fossil fuels and their use have enabled parts of the world to attain high levels of wealth and well-being" and that "developing countries have a right to the fair share of the global carbon budget and are entitled to the responsible use of fossil fuels within this scope". "Developing countries have to still deal with their development agendas and poverty eradication," it stressed, adding that "towards this end, subsidies provide much needed social security and support" and gave the example of the provision of subsidies to low-income households for liquefied petroleum gas to eliminate biomass burning and reduce indoor pollution. India said it had some additions to the text in this regard.

South Africa supported the language proposal by both China and India, calling for a "workable solution" on the issue.

The **EU** urged not to ask for "different text". The EIG said that while the texts are clearly far from being the best possible common denominator, it could "accept the text as presented", urging to adopt the text in the light of broader objectives. Australia also echoed that it "can accept present text".

The **US** said that it had been a "good" negotiation and acknowledged that there are things in the text that do not meet the "best desire" of every country. It said that it is "excited" by the fact that the outcome "raises ambition" on a "global basis" and that "this potential agreement is a very important step in the right direction". Referring to the US-China Joint Declaration agreed in Glasgow, it said the agreement showed that in a world of "conflict, competition and differences" between nations, the issue of climate change rises above them to find a way forward, adding that it agreed with the text.

After a rather long list of interventions by many other countries, **Sharma** proposed to adjourn the meeting and reconvene the formal closing plenary to consider and adopt the texts as the outcome of the climate talks. He reassured that while the texts do test the boundaries on what Parties can accept, "these outcomes constitute an incredibly delicate balance", and that the stocktake interventions had seen a "great deal of consensus and support for the texts, imperfect that they may be".

AT THE FORMAL CLOSING PLENARY

Following the high drama during the start of the closing plenary highlighted above, during the adoption of decisions under the Conference of Parties to the PA (CMA), several Parties intervened.

Antigua and Barbuda, speaking for **AOSIS**, highlighted specifically the LD facility for finance which did not enjoy consensus from developed countries and was settled for just a stand-alone "dialogue" in the final decision. It requested to include in the proceedings that its interpretation of the agreement is that a "new facility will be adopted at the next COP 27".

Venezuela reiterated its request for a space to discuss the important issue of unilateral and coercive measures (UCMs) in the context of human and environment rights, that has been affecting climate actions for some countries. It reiterated that it had been requesting to include UCMs in the cover decisions.

JOINT-CLOSING PLENARY OF COP, CMA AND CMP (CONFERENCE OF PARTIES TO THE KYOTO PROTOCOL)

UNFCCC Executive Secretary **Patricia Espinosa** hailed the outcome as a "bridge to historic transformation" built in Glasgow, thanking everyone for their professionalism and dedication regardless of multiple challenges. She said that "negotiations are never easy" to seek an outcome that is "acceptable to all" which is the "nature of consensus and inclusive multilateralism".

Guinea for **the G77 and China** said that the group worked towards conclusions and decisions to "reflect compromise while seeking to be ambitious and fair", thus succeeding in some and failing in others and underlined that "multilateralism is fundamental, based on equity and CBDR", stressing on fighting climate change in the context of "cooperation and genuine partnership rather than competition and from a purely economic aspect".

The **EU** spoke of a "balanced and ambitious outcome" and said that this COP was a step in the right direction towards reducing global emissions in this critical decade. It stressed on keeping the goal of 1.5°C alive and on "aligning all financial flows towards low greenhouse gas emissions and climate resilience".

Switzerland for the **EIG** also echoed that keeping the goal of 1.5°C alive is a "north star of our common commitment".

Australia for the **Umbrella Group** thanked and congratulated all for ensuring a "successful outcome" and agreeing on the final PA implementation arrangements. It said it was pleased to be leaving with "ambitious commitments" and that COP 26 set us on the path to support "collective efforts to keep 1.5°C within reach".

Egypt proposed a draft resolution entitled "expression of gratitude" to the UK Presidency and the people of Glasgow which was adopted by consensus by all Parties. Egypt is the next COP 27 host that is now scheduled to be held in November 2022.

Bhutan for the **LDCs** said that "the final package we can accept but not enough", with especially the issue of loss and damage falling short of what was expected, referring to the deletion of "facility" for finance in the final deal.

Antigua and Barbuda for the **AOSIS** spoke of "major compromises" the group made to overcome differences and said that the PA work programme is complete after years of deliberations.

Peru for the **Independent Alliance of Latin America and the Caribbean (AILAC)** said that the decisions in the package are "not perfect"; nonetheless, it worked towards reaching a "common agreement".

India for **Brazil, South Africa, India, China (BASIC)** said that it had shown "maximum flexibility" and is committed to "serious ambitious actions" notwithstanding the "challenges" at home. It stressed that the developed countries must deliver not only on mitigation but also on adaptation and finance, technology transfer and capacity-building.

Argentina for **Argentina, Brazil, Uruguay (ABU)** thanked all for their "flexibility and spirit of compromise" and highlighted that Article 6 of the PA will provide both market and non-market approaches, especially a "new international financing" for developing countries in both their "mitigation and adaptation" efforts.

Saudi Arabia said that the decisions adopted are a "great start" as well as the need to make sure that they are implemented in a "balanced manner".

Panama said that it is "not fully happy", specifically commenting on Article 6 decisions that they were not "as robust as science demands".

Other countries that took the floor were **Pakistan** (in its role as the incoming Chair of the G77 and China in 2022), **Cuba**, **Indonesia**, **Turkey, Korea**, **Chile**, **Kenya**, **the Dominican Republic** and **Japan**.

(See forthcoming articles on the details of decisions adopted.)

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Key decisions adopted in Glasgow

Glasgow, 15 November (Meena Raman and Indrajit Bose) – The Glasgow talks from 31 October to 13 November saw two weeks' intense negotiations under COP 26, the 16th session of the Kyoto Protocol Parties (CMP 16) and the third session of the Conference of Parties to the Paris Agreement (CMA 3).

Several key decisions were adopted under the three bodies that included the unfinished items dealing with Paris Agreement (PA) implementation, such as Article 6 on cooperative approaches, the enhanced transparency framework (ETF) and common time frames for nationally determined contributions (CTF). This update presents some of the highlights of decisions adopted.

Developing countries on the whole were disappointed with the Glasgow outcomes, with little gains for them especially on issues of finance, adaptation and loss and damage. They expressed concerns over the mitigation-focused decisions which did not match the slogans of ambition in keeping the 1.5°C temperature limit alive, with distant net zero targets by 2050 for developed countries which provided the "great escape for them" without real and rapid reductions as soon as possible.

Also of concern was the focus on future emissions without addressing the historical and past emissions of developed countries which caused the climate crisis, and the struggle that was needed for the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) to be properly reflected in the operational parts. (See related update.)

GLASGOW CLIMATE PACT UNDER THE CMA

Mitigation

The CMA cover decision in the mitigation section "recognizes that limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global greenhouse gas emissions, including reducing global carbon dioxide emissions by 45 per cent by 2030 relative to the 2010 level and to net zero around mid-century, as well as deep reductions in other greenhouse gases".

It also "recognizes that this requires accelerated action in this critical decade, on the basis of the best available scientific knowledge and equity, reflecting CBDR-RC in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty".

It also "notes with serious concern the findings of the synthesis report on nationally determined contributions (NDCs) under the PA, according to which the aggregate greenhouse gas emission level, taking into account implementation of all submitted NDCs, is estimated to be 13.7 per cent above the 2010 level in 2030".

The CMA also decided "to establish a work programme to urgently scale up mitigation ambition and implementation" and requested the subsidiary bodies (Subsidiary Body for Scientific and Technical Advice, SBSTA, and Subsidiary Body for Implementation, SBI) to recommend a draft decision on this matter for consideration and adoption by the CMA 4 (in 2022) "in a manner that complements the global stocktake (GST)".

(Some developing countries did not want the work programme on mitigation alone due to duplication of work ongoing under the GST process, that will hold its technical assessment in 2022, in the run-up to 2023, and will focus on taking stock of the implementation of the PA to assess collective progress towards achieving the purpose and long-term goals as well as opportunities for enhanced action and support, including international cooperation for climate action.)

The decision also requests "Parties to align their targets in their NDCs with the PA temperature goal by the end of 2022, taking into account different national circumstances" and requests the "secretariat to annually update the synthesis report on nationally determined contributions under the PA" and to make these reports available at every CMA session.

The CMA also decided to convene an "annual high-level ministerial round table on pre-2030 ambition", starting at CMA 4. (Many developing countries including the **Like-Minded Developing Countries, LMDC**, did not want a focus only on mitigation ambition but wanted a more holistic consideration also of the means of implementation.)

The decision also "urges Parties that have not yet done so to communicate, by CMA 4, long-term low greenhouse gas emission development strategies… towards just transitions to net zero emissions by or around mid-century, taking into account different national circumstances".

The decision "calls upon Parties to accelerate the development, deployment and dissemination of technologies, and the adoption of policies, to transition towards low-emission energy systems, including by rapidly scaling up the deployment of clean power generation and energy efficiency measures, including accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies, while providing targeted support to the poorest and most vulnerable in line with national circumstances and recognizing the need for support towards a just transition".

Adaptation

In the adaptation section, the CMA "recognizes the importance of the global goal on adaptation (GGA) for the effective implementation of the PA, and welcomes the launch of the comprehensive two-year Glasgow-Sharm el-Sheikh work programme on the GGA". (Developed countries led by the US were opposed to elaborating the GGA and the launch of this work programme is a win for developing countries. See further details below.)

In the adaptation finance section, the CMA cover decision urges developed countries "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". (Developing countries wanted stronger language but had to live with just "urging" developed countries to at least double their provision of climate finance.)

The decision also welcomes the "first report on the determination of needs of developing country Parties related to implementing the Convention and the PA and the fourth Biennial Assessment and Overview of Climate Finance Flows by the Standing Committee on Finance".

The decision underscores the importance of the deliberations on the new collective quantified goal "being informed by the need to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty and to make finance flows consistent with a pathway towards low greenhouse gas emission and climate-resilient development taking into account the needs and priorities of developing countries and building on the work of the Standing Committee on Finance".

The decision "emphasizes the challenges faced by many developing country Parties in accessing finance and encourages further efforts to enhance access to finance, including by the operating entities of the Financial Mechanism".

Loss and Damage

On loss and damage, the CMA decided that the "Santiago Network will be provided with funds to support technical assistance for the implementation of relevant approaches to avert, minimize and address loss and damage associated with the adverse effects of climate change". Parties also decided that "modalities for the management of funds provided for technical assistance under the Santiago Network and the terms for their disbursement shall be determined by a process". (The process is elaborated in the loss and damage decision under the CMA.)

The decision also reflects Parties' agreement in deciding to "establish the Glasgow Dialogue between Parties, relevant organizations and stakeholders to discuss the arrangements for the funding of activities to avert, minimize and address loss and damage associated with the adverse impacts of climate change, to take place in the first sessional period of each year of the Subsidiary Body for Implementation, concluding at its sixtieth session (June 2024)".

(Discussions under the loss and damage were particularly contentious, with developing countries pushing for a facility to ensure a process for loss and damage finance, while developed countries especially the US were firmly opposed to this. The compromise was just to have a dialogue, a very small step as a start.)

The decision requests the SBI to "organize the Glasgow Dialogue in cooperation with the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts".

The cover decision also welcomes the decision taken to encourage the "Global Environment Facility, as part of the eighth replenishment process, to duly consider ways to increase the financial resources allocated for climate, and recognizes that the Capacity-building Initiative for Transparency…will continue to support developing country Parties, upon their request in building their institutional and technical capacity for the enhanced transparency framework".

Under the collaboration section, the decision notes the "urgent need to close the gaps in implementation towards the goals of the PA and invites the Secretary-General of the United Nations to convene world leaders in 2023 to consider ambition to 2030".

(Several of the paragraphs of the CMA cover decision are also reflected in the COP cover decision.)

Glasgow-Sharm el-Sheikh work programme on the Global Goal on Adaptation

Under the CMA, Parties decided to "establish and launch a comprehensive two-year Glasgow-Sharm el-Sheikh work programme on the GGA"; that the implementation of the work programme would begin immediately after CMA 3 and that it would be carried out jointly by the SBSTA and the SBI.

(Discussions on the GGA were highly contested during the discussions in Glasgow. Developing countries had proposed a structured process to be set up in Glasgow and for the mandate to be under the subsidiary bodies. They had even called for a separate decision on the GGA. Developed countries initially, however, were not entirely open to the idea of a structured process. They wanted to mandate the Adaptation Committee to pursue further work on the GGA and were opposed to an exclusive decision on the GGA.)

In the decision adopted, the CMA agreed on the objectives of the GGA work programme. Parties decided that the objectives of the work programme should be to:

(a) Enable the full and sustained implementation of the Paris Agreement, towards achieving the global goal on adaptation, with a view to enhancing adaptation action and support;

(b) Enhance understanding of the global goal on adaptation, including of the methodologies, indicators, data and metrics, needs and support needed for assessing progress towards it;

(c) Contribute to reviewing the overall progress made in achieving the global goal on adaptation as part of the global stocktake referred to in Article 7, paragraph 14, and Article 14 of the Paris Agreement with a view to informing the first and subsequent global stocktakes;

(d) Enhance national planning and implementation of adaptation actions through the process to formulate and implement national adaptation plans and through nationally determined contributions and adaptation communications;

(e) Enable Parties to better communicate their adaptation priorities, implementation and support needs, plans and actions, including through adaptation communications and nationally determined contributions;

(f) Facilitate the establishment of robust, nationally appropriate systems for monitoring and evaluating adaptation actions;

(g) Strengthen implementation of adaptation actions in vulnerable developing countries;

(h) Enhance understanding of how communication and reporting instruments established under the Convention and the PA related to adaptation can complement each other in order to avoid duplication of efforts.

Parties also agreed that the "implementation of the work programme should reflect the country-driven nature of adaptation and avoid creating any additional burden for developing country Parties".

Parties also decided that "activities carried out under the work programme should build on the work of the Adaptation Committee related to the GGA, draw on a variety of sources of information and inputs, including national adaptation plans and adaptation communications, take into account traditional knowledge, knowledge of indigenous peoples and local knowledge systems, and be gender-responsive".

Parties decided that "four workshops should be conducted per year, with the support of the secretariat and under the guidance of the Chairs of the subsidiary bodies, under the work programme, namely two virtual intersessional workshops and two workshops in conjunction with the sessions of the subsidiary bodies, starting at their fifty-sixth sessions". The decision also invited the "Chairs of the subsidiary bodies to select themes for the workshops" on the basis of the Party submissions. The decision also invited Parties to submit by 30 April 2022 views on how to achieve the objectives under the work programme.

The decision also requested the "Secretariat to prepare a compilation and synthesis of those submissions for consideration at the workshops, a single annual report on the workshops for consideration at the sessions of the subsidiary bodies coinciding with the sessions of the CMA"; and invited the subsidiary bodies to report annually to the CMA on "progress in implementing the work programme".

Besides the decision on the two-year work programme on the GGA, other adaptation decisions adopted included a decision on the National Adaptation Plans and reports of the Adaptation Committee (for 2019, 2020 and 2021).

Loss and Damage

Under the decision on the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM) adopted under the CMA, Parties decided on the functions of the Santiago Network.

The functions are as follows:

(a) Contributing to the effective implementation of the functions of the Warsaw International Mechanism…by catalysing the technical assistance of organisations, bodies, networks and experts;

(b) Catalysing demand-driven technical assistance including of relevant organisations, bodies, networks and experts, for the implementation of relevant approaches to averting, minimising and addressing loss and damage in developing countries that are particularly vulnerable to the adverse effects of climate change by assisting in:
   (i) Identifying, prioritising and communicating technical assistance needs and priorities;
   (ii) Identifying types of relevant technical assistance;
   (iii) Actively connecting those seeking technical assistance with best suited organisations, bodies, networks and experts;
   (iv) Accessing technical assistance available including from such organisations, bodies, networks and experts;

(c) Facilitating the consideration of a wide range of topics relevant to averting, minimising and addressing loss and damage approaches, including but not limited to current and future impacts, priorities, and actions related to averting, minimising, and addressing loss and damage…and the strategic workstreams of the five-year rolling workplan of the Executive Committee.

(d) Facilitating and catalysing collaboration, coordination, coherence and synergies to accelerate action by organisations, bodies, networks and experts, across communities of practices, and for them to deliver effective and efficient technical assistance to developing countries;

(e) Facilitating the development, provision and dissemination of, and access to, knowledge and information on averting, minimising and addressing loss and damage, including comprehensive risk management approaches, at the regional, national and local levels;

(f) Facilitating, through catalysing technical assistance, of organisations, bodies, networks and experts, access to action and support (finance, technology and capacity-building) under and outside the Convention and the Paris Agreement, relevant to averting, minimising and addressing loss and damage associated with the adverse effects of climate change, including urgent and timely responses to the impacts of climate change.

Parties also decided to further develop the institutional arrangements of the Santiago Network.

The decision also requested "the secretariat to continue providing support for developing countries that are particularly vulnerable to the adverse effects of climate change that may seek or wish to benefit from the technical assistance available from organisations, bodies, networks and experts under the Santiago Network without prejudice to the outcomes of the consideration" by the subsidiary bodies.

(According to sources, developing countries deemed it as a big win in relation to the functions of the Santiago Network.)

On the governance of the WIM, the decision took note that "the considerations related to the governance of the WIM will continue at its fourth session (November 2022)" due to disagreements among countries at Glasgow.

(The controversy in relation to the governance of the WIM, including its Executive Committee

(Ex-Com) is whether the WIM should be exclusively under the authority and guidance of the CMA or whether it should also continue to be governed by the COP as well. Developed countries were of the view that the WIM should be governed by the CMA only, while developing countries wished for the WIM to be under both the COP and the CMA, as they do not want the mandate and scope of the WIM to be limited.)

Common time frames for NDCs

At COP 24 in 2018, it was agreed that Parties "shall apply common time frames to their NDCs to be implemented from 2031 onward". Parties were divided on whether to have just one time frame of five years, or to also allow a 10-year time frame, with some variation in between of a 5-years-plus-5-years.

In the decision adopted in Glasgow, the CMA reaffirms the nationally determined nature of NDCs and "encourages Parties to communicate in 2025 a NDC with an end date of 2035, in 2030 a NDC with an end date of 2040, and so forth every five years thereafter".

(Some developing countries led by the LMDC in particular was advancing a five-year or 10-year option for developing countries but could live with this option as the text reaffirms the nationally determined nature of the NDCs and encourages Parties to communicate as above and is not mandatory.)

Enhanced Transparency Framework (ETF)

Flexibility in reporting for developing countries and support to developing countries for reporting under the ETF were key contentious issues in Glasgow. The key issues were resolved in favour of developing countries, sources said.

Under the ETF, the CMA adopted the following:

- The common reporting tables for the electronic reporting of the information in the national inventory reports of anthropogenic emissions by sources and removals by sinks of greenhouse gases;
- The common tabular formats for the electronic reporting of the information necessary to track progress made in implementing and achieving NDCs under Article 4 of the Paris Agreement;
- The common tabular formats for the electronic reporting of the information on financial, technology development and transfer and capacity-building support provided and mobilised, as well as support needed and received, under Articles 9-11 of the PA;
- The outlines for the biennial transparency report, national inventory document and technical expert review report; and
- The training programme for technical experts participating in the technical expert review of biennial transparency reports (BTRs).

The decision encouraged Parties to prepare their BTR and national inventory document in accordance with the outlines adopted. The CMA also decided that the technical expert review teams will follow the technical expert review report outline as adopted in Glasgow.

The CMA also decided that those "developing country Parties that need flexibility in the light of their capacities may, when reporting on a provision for which they have a capacity constraint, choose one or more of the following options, as applicable, to reflect the application of the specific flexibility provisions…in the common reporting tables and common tabular formats".

The options include a new notation key called FX (flexibility); the option of collapsing "relevant row(s) or column(s) where 'FX' is reported", while "providing an explanation of how the specific flexibility provision has been applied in the corresponding documentation box".

The decision further requests the secretariat to "develop reporting tools, taking into account the operationalization of the flexibility provisions… and make available a test version of the reporting tools by June 2023 with a view to the final version of the tools being completed by June 2024" and "to report to the SBSTA on progress in the development of the reporting tools at its fifty seventh session (November 2022)".

The decision "invites Parties to submit their views on their experience with the test version of the reporting tools, including experience with integrating the tools into their national inventory arrangements, and inputs on improving the tools at the latest six months after the release of the test version via the submission portal by December 2023" and requests the secretariat to produce a technical paper on these submissions.

The CMA also decided that "if the final version of the reporting tool for common reporting tables for inventory information is not available within the time frame…Parties can submit the national inventory report after 31 December 2024, with a delay not exceeding the delay in the availability of the reporting tool".

The decision also requested "the secretariat to facilitate interoperability between the reporting tools and the Intergovernmental Panel on Climate Change inventory software".

The decision emphasised that "each interested Party may provide, as appropriate, information related to enhancing understanding, action and support, on a cooperative and facilitative basis, to avert, minimize and address loss and damage associated with climate change impacts in…its biennial transparency report…".

(According to sources, developed countries very vehemently opposed any reference to information on loss and damage under the ETF.)

The decision also notes that "Parties may use on a voluntary basis the Intergovernmental Panel on Climate Change 2019 Refinement to the 2006 IPCC Guide-lines for National Greenhouse Gas Inventories".

The decision requested the secretariat, "incorporating, as appropriate, technical advice from the Consultative Group of Experts and lead reviewers, to develop the training programme for technical experts participating in the technical expert review of biennial transparency reports… taking into account experience and lessons learned from developing existing training programmes under the Convention"; and to report to the SBSTA "on progress in the development of the training programme at its fifty-seventh session and at each subsequent session until the development of the training programme has been completed".

Further, the CMA decided "to consider at its fourth session and at each session thereafter an item on 'Reporting and review pursuant to Article 13 of the PA: provision of financial and technical support to developing country Parties for reporting and capacity-building', which will include consideration of the support provided to developing country Parties for reporting and related capacity-building under Article 13 of the Paris Agreement".

The decision also recognised the "need for enhanced support from various sources and channels, including the Global Environment Facility, for implementing the enhanced transparency framework". (This is reflected in the CMA cover decision, as mentioned above under Glasgow Climate Pact under the CMA.)

Article 6 of the PA

Under Article 6, the decisions adopted included guidance on cooperative approaches referred to in Article 6.2; rules, modalities and procedures for the mechanism established by Article 6.4 and work programme under the framework for non-market approaches referred to in Article 6.8. (See separate forthcoming article on this.)

Other decisions adopted

The COP, CMP and the CMA also adopted decisions on response measures; local communities and indigenous peoples' platform; the Paris Committee on Capacity-building; enhancing climate technology development and transfer through the Technology Mechanism; gender and climate change; guidance for the clean development mechanism, among others.

Finance

A host of decisions were adopted on finance under the COP, CMA and CMP. These include the new collective quantified goal on climate finance; long-term finance; compilation and synthesis of, and summary report on the in-session workshop on, biennial communications of information related to Article 9, paragraph 5, of the Paris Agreement; matters relating to the Adaptation Fund; long-term climate finance; matters related to the Standing Committee on Finance (SCF); report of the Green Climate Fund (GCF) to the COP and guidance to the GCF; report of the Global Environment Facility (GEF) to the COP and guidance to the GEF; report of the Adaptation Fund (AF) Board for 2020 and 2021; and the fourth review of the AF (Separate article to follow on the finance decisions).

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The Glasgow decisions on climate finance

New Delhi, 17 November (Indrajit Bose) – The Glasgow climate talks adopted a host of decisions on climate finance following intense wrangling among developed and developing countries. These include the long-term climate finance (LTF); new collective quantified goal on climate finance (NCQG); compilation and synthesis of, and summary report of the workshop on biennial communications of information related to Article 9.5 of the Paris Agreement (PA); matters related to the Standing Committee on Finance (SCF); report of the Green Climate Fund (GCF) to the COP and guidance to the GCF; report of the Global Environment Facility (GEF) to the COP and guidance to the GEF; matters relating to the Adaptation Fund (AF); report of the AF Board for 2020 and 2021; and fourth review of the AF.

All the decisions were bitterly contested and nearly every paragraph of the draft texts continued to be bracketed, with no solution in sight until the last day of the COP. Ministerial consultations had to be convened on the LTF and NCQG issues and the UK COP Presidency had to intervene on the other issues to help Parties arrive at a consensus. The decisions were adopted under COP 26, the 16th session of the Kyoto Protocol Parties (CMP 16) and the third session of the Conference of Parties to the PA (CMA 3). There were some small but significant wins for developing countries, that will keep the pressure up on developed countries to meet their obligations under the UNFCCC and the Paris PA.

This update presents the highlights of some of the key finance decisions adopted in Glasgow.

LONG-TERM CLIMATE FINANCE (LTF)

The key problematic issues on the LTF included continuation of the LTF agenda under the COP; work on reviewing progress on the delivery of the USD 100 billion goal commitment of the developed countries under the LTF; and language around the definition of climate finance.

Developing countries were in favour of the continuation of the LTF agenda item under the COP, while developed countries were vehemently opposed to it (see related update). The decision adopted is a win for developing countries, for they were able to secure an extension of the LTF agenda, as well as set a process in motion to review the delivery of the USD 100 billion goal.

On the definition of climate finance, developing countries were able to secure a mandate for the SCF to work on "climate finance definitions". The language in the decision was however considerably weakened, since the developed countries were completely opposed to the idea of giving any mandate to the SCF for a single multilaterally agreed climate finance "definition", which developing countries were pushing for (more on this below).

In the decision adopted, Parties decided that "continued discussions on long-term climate finance will conclude in 2027".

Parties also requested the SCF to "prepare a report in 2022 on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries (to be considered at 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 (BA)".

Parties also invited the COP 27 Presidency (Egypt) to "organize the high-level ministerial dialogue on climate finance in 2022 on the progress and fulfilment of the goal of mobilizing jointly USD 100 billion per year by 2020".

Expanding the work of the LTF further, Parties decided "to convene biennial high-level ministerial dialogues on climate finance in 2022, 2024 and 2026" and requested the COP Presidency "to summarize the deliberations at the dialogues for consideration by the COP in the year thereafter".

In relation to the climate finance definition, Parties requested the SCF "to continue its work on definitions of climate finance, taking into account the submissions received from Parties on this matter, with a view to providing input for consideration by COP 27 (November 2022)".

As explained above, developing countries were in favour of mandating the SCF to work on one definition rather than multiple definitions and they said that this would aid in transparency and accountability of climate finance. They proposed that climate finance resources must be new and additional, climate-specific and consist of grants, concessional loans and guarantees or other instruments that ensure concessional finance. Developed countries were opposed to this, and were of the view that having one definition of climate finance was just not possible since each Party defined climate finance differently.

One paragraph that developing countries were in favour of did not make it to the decision adopted. The paragraph proposed in the initial draft was as follows: "Draws attention to the lack of a multilaterally agreed definition of climate finance and acknowledges that a [common] definition of climate finance is important to have clarity to avoid double counting and to account for the financial flows from developed to developing countries to address climate action]. Developed countries proposed brackets when the paragraph was introduced by developing countries and it eventually got dropped from the final decision adopted.

The decision adopted "notes with serious concern the gap in relation to the fulfilment of the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020, including due to challenges in mobilizing finance from private source".

According to sources, during the discussions on the aforesaid paragraph, developed countries wanted to push the responsibility to developing countries and the lack of "enabling environments" in their countries due to which the private sector had not been able to mobilise finance. Instead of taking responsibility for the lack of fulfilment of the goal, they suggested welcoming their efforts in meeting the goal of USD 100 billion. Following a lot of heated exchanges, the language above was adopted.

On adaptation finance, the decision requests developed countries "to significantly increase their provision of adaptation finance, including by, as appropriate, considering doubling adaptation finance with the aim of achieving a balance between mitigation and adaptation".

Developing countries wanted stronger language and more emphasis on adaptation finance, but there was a lot of opposition from developed countries to make references to "doubling". Earlier versions of the paragraph included language emphasising the importance of public and grant-based resources for adaptation finance, but these were dropped from the final text.

The decision adopted also requests the SCF "to undertake further work on mapping the available information relevant to Article 2.1(c), of the PA, including its reference to Article 9 thereof, with a view to providing input for consideration by COP 27".

(Article 2.1(c) is on making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.)

NEW COLLECTIVE QUANTIFIED GOAL ON FINANCE (NCQG)

Discussions on the NCQG were also highly contentious, with developing countries calling for a concrete process to be established to arrive at the goal and developed countries wanting to discuss the goal via "workshops". The decision adopted is an important win for developing countries, especially in terms of setting a process for the goal, even though the language from the initial draft was whittled down in some areas.

In the decision adopted, Parties recognised that the "deliberations on the new collective quantified goal will be cyclical in nature, with the political deliberations providing guidance to the technical work to be conducted and the technical work informing the political deliberations".

On the process, Parties decided to establish "an ad hoc work programme from 2022 to 2024" under the CMA, "to be facilitated by co-chairs, one from a developed country and one from a developing country, appointed, in consultation with the respective constituencies", by the CMA "at its third, fourth (November 2022) and fifth (November 2023) sessions".

Parties also decided "to conduct four technical expert dialogues per year as part of the ad hoc work programme, with one of these dialogues to be held in conjunction with the first regular session of the subsidiary bodies for the year and one to be held in conjunction with the session of the CMA, and the two remaining dialogues to be organized in separate regions with a view to facilitating inclusive and balanced geographical participation".

Parties further requested “the secretariat, in organizing the technical expert dialogues…to ensure the participation of all interested Parties, academia, civil society actors, including youth, and private sector actors, and that all meetings are open to observers and are webcast”.

Parties also requested “the co-chairs of the ad hoc work programme to prepare an annual report on the work conducted under that work programme, including a summary and key finding of the technical expert dialogues, for consideration by the CMA”.

Parties also decided “to convene high-level ministerial dialogues starting in 2022 and ending in 2024, ensuring effective political engagement and open, meaningful and robust discussion, to be informed by the reports of the technical expert dialogues… with a view to providing guidance on the further direction of the ad hoc work programme for the following year” and requested the COP Presidency to “prepare a summary of the deliberations at the high-level ministerial dialogue” for the consideration of the CMA.

Parties decided to “continue its deliberations on setting a new collective quantified goal at its fourth, fifth and sixth sessions, taking stock of the progress made and providing further guidance on the ad hoc work programme, taking into consideration the annual reports of the co-chairs of the ad hoc work programme…including the key findings contained therein, and the summary reports on the high-level ministerial dialogues…including the guidance contained therein”.

In the decision adopted, Parties decided that “the new collective quantified goal aims at contributing to accelerating the achievement of Article 2 of the PA of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change; increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development”.

Parties also decided “that the consideration of the new collective quantified goal will…take into account the needs and priorities of developing countries and include, inter alia, quantity, quality, scope and access features, as well as sources of funding, of the goal and transparency arrangements to track progress towards achievement of the goal…”.

Parties agreed that the deliberations shall be informed by inputs from Parties, constituted bodies, including their relevant outputs; the best available scientific information; information from other relevant intergovernmental processes and insights from the business and research communities and from civil society; information from Parties, particularly information related to the needs of developing countries; and other technical reports.

Parties decided to conclude its deliberations by setting the new collective quantified goal in 2024.

Several developing countries had called for the deliberations to conclude in 2023 rather than 2024 given that the NCQG would have a bearing on the next round of NDC submission by developing countries in 2025. However, developed countries were in favour of deliberations to conclude in 2024. Another key ask of some developing countries was to reflect a quantum mobilisation target for the NCQG but this did not make it to the final decision. Previous versions of the draft decision text had the following language: “Deliberations on the quantum mobilization target should start from range of a commitment by developed countries to mobilize jointly at least USD 1.3 trillion per year by 2030, of which 50% for mitigation and 50% for adaptation and a significant percentage on grant basis from a floor of USD 100 billion, taking into account the needs and priorities of developing countries”. Since there was no agreement on reflecting any number, as this would amount to pre-judging the deliberations according to developed countries, the language got dropped.

MATTERS RELATED TO THE SCF

Key sticky issues around this included mandating the SCF with further work on the definition of climate finance. In the decision adopted, Parties requested the SCF “to continue its work on definitions of climate finance, taking into account the submissions received from Parties on this matter, with a view to providing input for consideration by CMA 4”.

The paragraph though was whittled down due to disagreements. An earlier version of the draft text read: “Underlines that the lack of a universal climate finance definition represents an outstanding challenge for the provision and mobilization of climate finance and requests the SCF to continue its technical work on operational definitions of climate finance...”.

(According to decision 11/CP.25 adopted in Madrid in 2019, the COP had underscored "the important contribution of the SCF in relation to the operational definitions of climate finance", and invited Parties to submit...their views on the operational definitions of climate finance for consideration by the SCF in order to enhance its technical work on this matter in the context of preparing its 2020 Biennial Assessment and Overview of Climate Finance Flows [BA]. Following the submissions, the SCF included a section on the definition issues in its 2020 BA. At the latest SCF meeting held in October 2021, developing countries had called for COP recommendations to the SCF to continue work on the definition of climate finance. However, developed countries did not agree, and the recommendations of BA 2020 could not be adopted. The fight took place again in Glasgow and developing countries were able to secure the mandate for the SCF for the work.)

On the review of the functions of the SCF, the COP Presidency convened consultations with Parties but the consultations could not be completed. The COP Presidency announced at the closing of the CMA plenary that Parties will continue to consider the matter at CMA 4 (in November 2022).

BIENNIAL COMMUNICATIONS OF INFORMATION RELATED TO ARTICLE 9(5) OF THE PA

Article 9(5) mandates developed countries to biennially communicate indicative quantitative and qualitative information on the provision and mobilisation of projected levels of public financial resources to be provided to developing countries.

During the discussions, key divergences that arose on the draft text included language around highlighting concerns over missing elements from the first biennial communications of developed countries and calling on developed countries to improve information in certain specific areas.

(The first biennial in-session workshop on the biennial communication of information was organised in June 2021, following which the UNFCCC Secretariat released a summary report, which was considered by the CMA in Glasgow. During the workshop, developing countries expressed that the information provided by developed countries was still not adequate enough to enable them to prepare their climate action plans and wanted to ensure that the next round of information covers the gaps identified in the workshop report.)

The decision adopted on the matter "recognizes with concern" that not all developed country Parties have provided biennial communications in accordance with Article 9(5) of the PA and urges developed countries to submit biennial communications in 2022.

During the negotiations, developed countries were not in favour of the paragraph and said instead that the paragraph should read that not all developed countries have provided the communications "in time", rather than "in accordance with Article 9(5) of the PA". The final decision in this regard is a win for the developing countries.

The decision welcomes "the summary report on the biennial in-session workshop on information to be provided by Parties in accordance with Article 9.5 of the PA held on 11 June 2021 and invites Parties and relevant institutions to consider the key findings and messages contained therein".

The decision adopted also recalls that the "next biennial in-session workshop on information to be provided by Parties …will be held in 2023". The decision also "requests developed country Parties to submit their second biennial communications in 2022…before 31 December 2022".

The decision invites developed countries "to take into account the following areas for improvement identified in the summary report", particularly in relation to:

(a) The indicative projections of climate finance for developing countries and specific plans for scaling up the provision and mobilisation of climate finance;
(b) The information provided on projected levels of climate finance and lack of detail on themes, various channels and instruments across the biennial communications;
(c) The information on the shares of projected climate finance for adaptation and mitigation, and on plans for addressing the balance between the two.

The decision also recognises that developed countries "submitted information…for the first time in 2020 and that improvements based on lessons learned should be considered when preparing biennial communications in 2022, taking into account the areas for improvement identified in the summary report…including enhancing the quality and granularity of information on programmes, including projected levels, channels and instruments, particularly on climate finance for the least developed countries and small island developing States, and on relevant methodologies and assumptions".

REPORT OF THE GCF TO THE COP AND GUIDANCE TO THE GCF

Guidance to the GCF was contentious in the areas around the Board's governance and efficiency, in terms of how prescriptive the guidance should be by referring to issues that the Board was already undertaking work on, and in relation to a paragraph on "unilateral" conditions imposed by the Board on entities from developing countries.

The decision welcomes the reports of the GCF to the COP, "including the list of actions taken by the Board of the Green Climate Fund in response to guidance received from the Conference of the Parties". The decision "reiterates the request to the Board to continue efforts to maintain the balance in the allocation of resources between adaptation and mitigation".

The decision also encourages the "Board to strengthen country ownership and regional management by proactively engaging national designated authorities in all aspects of the project and programme cycle".

The decision "takes note of the exceptional circumstances of the coronavirus disease 2019 pandemic and its significant impact on the implementation of the Board's updated four-year workplan, recognizes the Board's efforts during that period and encourages the Board to continue to improve the efficiency and effectiveness of its work".

(Developed countries had wanted language that encouraged the Board to "further improve the efficiency and effectiveness of its decision-making", but developing countries opposed this. In the past the GCF Board has been divided over what developed countries refer to as "governance" issues due to delays in arriving at decisions in the Board. Developing countries have countered saying the GCF has processes and rules in place, which the Board follows and the virtual meetings held in 2020 and 2021 due to the COVID-19 pandemic proved difficult especially for the developing countries due to challenges in time zones and connectivity, among others.)

The decision "takes note of the continued efforts of the Board to provide financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties consistent with the existing investment results framework and funding windows and structures of the GCF, including through the Project Preparation Facility and the Readiness and Preparatory Support Programme".

The decision takes note of the "significant number of remaining policy gaps, including updating the accreditation framework including approving the project-specific assessment approach, updating the simplified approval process, approving the policy on programmatic approaches, completing policies related to the investment framework, and addressing matters related to the Private Sector Facility and strategy, as well as outstanding matters from the rules of procedure of the Board, and urges the Board to prioritize closing the policy gaps as a matter of urgency and to explore diversifying its selection of financial instruments for addressing climate risk including parametric insurance for climatic events".

The decision also urges the "Board to finalize in a timely manner its work related to the guidance and arrangements of the COP on financing for forests and alternative approaches".

Under the CMA's guidance to the GCF, Parties requested "the Board to continue to enhance support for mitigation proposals, in line with the governing instrument and investment framework, that support countries in contributing to holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels".

The decision under the CMA also requests the Board "to continue to enhance support for the implementation of adaptation projects and programmes, in line with the governing instrument, informed by national adaptation plans and other voluntary adaptation planning processes, and adaptation communications, including those submitted as components of nationally determined contributions, as applicable, with a view to contributing to the global goal on adaptation to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change, and in line with the guiding principles and factors for determining terms of financial instruments".

A paragraph that was contentious was on welcoming the first report of the SCF on the determination of the needs of developing countries related to implementing the Convention and the PA and for the GCF Board to take note of the needs and priorities of developing countries. Developed countries were opposed to including the language in the guidance, and the paragraph was dropped.

Another paragraph proposed by the Africa group read: "Urges the Board to avoid imposing unilateral policy conditions in deciding on the approval of accreditation or reaccreditation of developing country direct access entities as well as funding proposals and to ensure in an inclusive and transparent manner that such approvals are within policy frameworks." Developed countries were not supportive of the proposal and suggested deleting the paragraph, adding that there was nothing called unilateral policy conditions that was ever imposed.

The Africa group dropped the paragraph in the spirit of compromise, but with a warning. "We will compromise, but this is an instruction to the Board. Unilateral policy conditions are being imposed by the Board. It is unacceptable that a condition not discussed by the Board was imposed on an entity. We cannot have decision-making with a loaded gun on our head. We will inspect every single condition and will not allow small diversionary tactics by developed countries. This is a warning call. On that basis, we will delete our proposal," said South Africa.

(The Africa group was referring to a condition imposed by the Swedish Board member on the reaccreditation of its entity, the Development Bank of Southern Africa. The conditions imposed included a net-zero emissions target no later than 2050 for its reaccreditation. Since there was no consensus on the condition, the entity could not be reaccredited.)

REPORT OF THE GEF TO THE COP AND GUIDANCE TO THE GEF

On the COP's guidance to the GEF, the key highlights include the COP calling upon developed countries "to make financial contributions to the GEF to contribute to a robust eighth replenishment of the GEF to support developing countries in implementing the Convention"; encouraged "additional voluntary financial contributions to the eighth replenishment of the GEF", and invited the GEF to "duly consider the needs and priorities of developing country Parties when allocating resources to developing country Parties".

The decision also recognises that the GEF "does not impose minimum thresholds and/or specific types or sources of co-financing or investment mobilized in its review of individual projects and programmes".

The decision also urges the GEF "to enhance its support for projects that engage with stakeholders at the local level, and to continue to provide funding for projects related to technology training and scale up South-South cooperation and triangular cooperation with the Technology Executive Committee and the Climate Technology Centre and Network".

The decision also requests the GEF, "as part of the eighth replenishment process, to take note of the needs and priorities for climate finance, including those identified in the first report on the determination of the needs of developing country Parties related to implementing the Convention and the PA, nationally determined contributions, national communications and national adaptation plans, as well as in other sources of available information, including the biennial assessment and overview of climate finance flows and other relevant reports".

On the CMA's guidance to the GEF, the key highlights include calls to support developing countries reporting requirements under the enhanced transparency framework (ETF) of the PA. Securing paragraphs on reporting support under the ETF was very key for developing countries in Glasgow.

The decision "welcomes that the Capacity-building Initiative for Transparency…will continue to support developing country Parties, upon their request, in building their institutional and technical capacity for the ETF and encourages the GEF, Parties and implementing agencies to work collaboratively to ensure that this support is delivered in a timely manner".

The decision requests the GEF "to continue to facilitate improved access to the Capacity-building Initiative for Transparency by developing country Parties" and for the GEF "to consider increasing its support for the ETF as part of its eighth replenishment process".

The decision further requests the GEF to contribute to the consideration of the support provided to developing countries by:

(a) Estimating the cost to developing countries of implementing the ETF, which includes establishing and enhancing a reporting system, as well as the full agreed cost of reporting and the cost of capacity-building for reporting;

(b) Considering how to adequately incorporate the costs into the set-aside of the eighth replenishment process of the GEF, while taking the necessary measures to ensure, as appropriate, that the set-aside does not impact the allocation of resources to developing countries…;

(c) Reporting to the CMA 4 on any actions taken to implement the guidance on supporting developing countries implement the ETF and any changes to the estimated costs;

(d) Reporting to the CMA on activities and provision of support under the Capacity-building Initiative for Transparency and on the provision of support for reporting under the PA, as well as monitoring and reporting on the timeliness of project review, approval and preparation, including disaggregated tracking of each element of project development (from project identification form approval to submission of chief executive officer approval request and disbursement through implementing agencies).

The decision also requests the GEF "to consider combining the application processes for support for producing biennial transparency reports, including by considering raising the funding ceiling of expedited enabling activity projects, and for Capacity-building Initiative for Transparency projects, as appropriate, and by developing an expedited process for projects related to preparing biennial transparency reports".

Parties also welcomed the "contributions made by developed country Parties to the Least Developed Countries Fund, amounting to USD 605.3 million, and encourages additional voluntary financial contributions to the Fund and the Special Climate Change Fund to support adaptation and technology transfer".

FOURTH REVIEW OF THE ADAPTATION FUND (AF)

In the decision that got adopted, the CMP decided that the fourth review of the Adaptation Fund (AF) will be undertaken in accordance with…the terms of reference (ToRs) agreed by Parties for the review. The ToRs cover the objective, scope and sources of information for the review.

In the proposed draft decision on the fourth review of the AF, discussions were contentious around the scope for the review. Under the ToRs, the scope of the review included language on "eligible" developing countries. The corresponding language read: "The provision of sustainable, predictable, accessible and adequate financial resources and the mobilization of financial resources to fund concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of [eligible] developing country Parties." Developing countries did not support the inclusion of the word "eligible" and in spite of objections by the United States (US), developing countries were successful in removing the word in the final decision that got adopted because the US is not a Party to the Kyoto Protocol and therefore could not block the decision of the CMP. Developing countries wanted the word "eligible" to be deleted it would imply that not all developing countries are eligible to AF funding, which in their view is contrary to the KP.

Divergences also emerged over whether to reflect the AF serving the PA in the draft decision text, as well as over the CMA having a say on the review (commonly referred to as the "governance" issue). Developing countries were not in favour of including the CMA since the review is under the CMP. However, developed countries wanted a reference to the CMA, given that the AF currently serves both the Kyoto Protocol as well as the PA. References to the AF serving the PA remained in the decision that was adopted.

(At COP 24, it was decided that the AF shall exclusively serve the PA and shall no longer serve the KP once the share of proceeds from the mechanism under Article 6.4 of the PA becomes available. Article 6.4 establishes a mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development for use by Parties on a voluntary basis.)

The decision "takes note of decision 13/CMA.1, stating that the AF shall serve under the guidance of, and be accountable to, the CMA with respect to all matters relating to the PA, effective 1 January 2019, subject to the decision on this matter made by the CMP, and notes decision 1/CMP.14, in which it decided, inter alia, to ensure that developing country Parties and developed country Parties that are Parties to the PA are eligible for membership on the AF Board".

The CMP also requested the SBI "to complete its work on the fourth review of the AF at its fifty-seventh session, while welcoming the participation of Parties to the PA, with a view to recommending a draft decision on the matter for consideration and adoption by CMP 17". The CMP also invited the CMA to consider the outcomes of the review at its fourth session.

Parties also welcomed the voluntary contributions to the AF from several countries equivalent to USD 356 million.

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Loss and damage fight at COP 26

Penang, 19 November (TWN) – The issue of loss and damage became a highly charged political matter at the recently concluded climate talks in Glasgow, Scotland, which took place from 31 October to 13 November. Developing countries have been the proponents for the institutionalisation of loss and damage in the UNFCCC regime given that the adverse effects of climate change disproportionately impact developing countries more than developed countries in ways that go beyond the adaptation capacities of developing countries.

At COP 26, developing countries were firmly united under the G77 and China (G77) in advancing the loss and damage agenda which revolved around the following issues:

- loss and damage finance, including through the establishment at COP 26 of a new finance facility;
- the further operationalisation of the Santiago Network; and
- governance of the Warsaw International Mechanism on Loss and Damage (WIM) under the COP and the CMA (Conference of Parties meeting as the Parties to the Paris Agreement).

Developing countries lost the battle on ensuring a loss and damage finance facility due to very strong opposition from developed countries, especially the United States (US), and only managed to secure in the final decision adopted, the establishment of "the Glasgow Dialogue between Parties…for the funding of activities to avert, minimize and address loss and damage associated with the adverse impacts of climate change".

However, reaching agreement on the functions of the Santiago Network (SN) and on a process for its institutional arrangements was a significant step forward at COP 26 and a win for developing countries, given strong resistance initially from developed countries.

On the issue of the WIM governance, as wrangling continued between developing and developed countries and with no consensus possible on the matter, the COP 26 Presidency decided to kick the can down the road for a resolution of the matter in the future, while recognising that both the COP and the CMA have roles to play in having oversight and authority over the WIM.

This update provides highlights of the negotiations that took place on the loss and damage issues, following information obtained from various developing country negotiators close to the process.

LOSS AND DAMAGE FINANCE

The issue of loss and damage finance was a major fight for developing countries and covered two elements: (i) the creation of a new financing facility for loss and damage and (ii) the financing for the functioning of the Santiago Network (SN).

During the start of negotiations under the Subsidiary Bodies (SBs) in the first week of COP 26, the **G77** proposed a draft decision containing paragraphs that would recognise: (i) "the need to ensure that the Santiago Network's institutional coordination arrangements are appropriately financed to enable it to achieve its objective and implement its activities effectively"; and (ii) "the need for a financing stream on loss and damage to ensure that developing country Parties are able to adequately address the significant impacts currently associated with slow onset events, non-economic losses, comprehensive risk management, displacement, and other loss and damage-related issues".

In response to the SB co-facilitators' draft text that was issued on 3 November in which paragraph

12 recognised "the urgent need for scaling-up of action and support, as appropriate, including finance, technology and capacity-building, for the implementation of relevant approaches to averting, minimizing and addressing loss and damage in developing countries that are particularly vulnerable to the adverse effects of climate change" and mandated the WIM Executive Committee to continue its engagement with the Standing Committee on Finance and the Green Climate Fund, the G77 stated that such recognition of financing for loss and damage needs to be strengthened.

The G77 said that the draft paragraph proposed by the co-facilitators "does not contain any operational aspects nor how loss and damage finance can be scaled up and accessed".

In response, developed countries stated consistently that the issue of loss and damage finance could not be the subject of discussion under the loss and damage agenda item but should be discussed in the climate finance negotiating rooms. At the same time, in the climate finance negotiating rooms, developed countries were saying that loss and damage finance should not be discussed at the technical level but rather should be considered at the political ministerial level during the second week of COP 26. Hence, by the close of the first week of negotiations, the issue was not substantially addressed by Parties. This resulted in the SB adopting paragraph 12 with virtually no changes.

During the second week, the UK COP Presidency appointed the ministers of Jamaica (Pearnel Charles Jr.) and Luxembourg (Carole Dieschbourg) to undertake ministerial consultations on issues relating to loss and damage.

During the ministerial consultations that took place on 9 and 10 November the G77 highlighted the need not only to address funding for the SN, but also to make loss and damage finance part of the broader climate finance discussions taking place (such as with respect to long-term finance and the new collective quantified goal on climate finance) and to provide space in the transparency of support tables (under the enhanced transparency framework) for the reporting of loss and damage finance provided by developed countries. The developed countries stressed that for them, the issue of loss and damage finance should be limited only to providing finance for the operationalisation of the SN and that the broader issue of loss and damage financing is not a topic for discussion at COP 26.

In response, on 11 November at the final ministerial consultations, the G77 tabled a textual proposal calling on the COP and CMA to decide to "establish the Glasgow Loss and Damage Facility under the Financial Mechanism …, and to provide new financial support under Article 9 of the PA, in addition to adaptation and mitigation finance, to developing countries to address loss and damage and requests the Subsidiary Bodies to jointly undertake work in 2022 with the aim of providing recommendations to COP27 on its operationalization".

Guinea speaking on behalf of the **G77/China** stated, "This will be a historic and significant step forward in further solidifying and enhancing international cooperation on loss and damage under the Convention and its PA. Even as we seek to scale up our collective ambition with respect to mitigation, adaptation, and the provision of the means of implementation, …it is now very evident that the impacts of climate change on the lives of our peoples, the livelihoods of our communities, on our islands, coastlines, forests, and cities, on our economies and ecosystems, are fast going past the limits of what we can adapt to. This is why this proposal is crucial…It will represent a clear response that all Parties,…share the common resolve to address loss and damage…It will send a clear signal to the rest of the world, to all our peoples, to civil society, to indigenous peoples, to those who are marginalized and most vulnerable and are calling for help, that we hear, we care, we act."

In response, the **US** raised questions on whether a new institution is needed as some support might best be undertaken through existing or other types of institutions. It added that there are issues that need to be better understood in terms of the response that the UNFCCC and others in the multilateral sphere look at, pointing to support for language in the draft decision that would request the UN Secretary-General to promote system-wide coherence on loss and damage within the UN system. The US said that it could not support the proposal to launch a loss and damage finance facility and instead suggested that the discussion focus on the SN.

The **European Union** (**EU**) stressed its commitment to working together to find common ground, noting that it is the largest humanitarian aid, trade, and investment provider, as well as being the largest contributor to public climate finance. It recognised the need for technical assistance to implement loss and damage approaches, hence its willingness to work on the functions of the SN, and stressed its willingness to provide the Network with financial support. However, on the G77's proposal to establish a loss and damage finance facility, it said that it needed to first assess the proposal.

Following the EU's statement, ministers and representatives from the developing country constituency groups and the G77 member states spoke up in support of the G77's proposal, providing further explanation, context and rationale for the proposal. These included **Tuvalu** for **the Least Developed Countries (LDCs)**, **the Dominican Republic for the Alliance of Small Island States (AOSIS)**, **Ecuador** for the **Like-Minded Developing Countries (LMDC)**, **Gabon for the Africa Group**, **Colombia for the Independent Alliance of Latin America and the Caribbean (AILAC)**, and **Antigua and Barbuda** and **Kenya**.

However, the ministerial consultations on the night of 11 November ended without any resolution, as there was no agreement on the G77 proposal. The ministers who co-facilitated said that they would be reporting to the UK COP Presidency on the state of the discussions on the issue.

During the day of 12 November (which was supposed to be the scheduled closing of the COP, but which spilled over to 13 November), there were informal discussions within the G77 and with developed country negotiators to try to find a way forward on the issue. The G77 then informally circulated in the early evening of 12 November a proposed text as follows:

> "(48). Decides to launch a process to develop a facility, fund or other financial arrangements for providing financial support for loss and damage, through a subsidiary body, hereby established under the Convention, known as the Glasgow Ad-Hoc Working Group on Loss and Damage Finance. (49). Further decides that the Glasgow Ad-Hoc Working Group on Loss and Damage Finance shall begin its work as a matter of urgency in xx 2022 by calling for submissions, holding meetings, workshops and multi-stakeholder dialogues, with input from the WIM Executive Committee and other experts, and shall produce a report with recommendations on the operationalization of a facility, fund or other financial arrangements, to be considered and adopted at COP27."

Later in the evening of 12 November, the **G77** invited developed country negotiators at the technical level to a self-organised informal discussion facilitated by **Costa Rica** on the Group's suggestion to launch a process instead on loss and damage finance. During the discussion, the US stated that it thought that progress had been achieved on the SN but that it had no ability to engage in any discussion about a facility, fund, or financial arrangement at that stage of the COP, especially given that the idea of a loss and damage facility had only been raised the day before. The **US** said that this was not something that was typically done and that it was something that it could not agree to at that stage.

The **EU** said that it was not prepared to deal with the issue at this COP, that its negotiators did not have any mandate for such a discussion nor any instructions from its member States and the Union to agree to such a facility. It stated that it could not agree to anything at COP26 on a facility or to establish one.

But it said that it heard and understood the calls being raised about the importance of the issue and suggested that it might then be time to discuss how to increase support for loss and damage. It expressed openness to some kind of dialogue on loss and damage finance that is open and does not pre-empt the outcome. It said that it could not engage on the G77 proposal and suggested that the draft paragraphs in the UK COP Presidency's text on a technical assistance facility for the SN be deleted and replaced with a short paragraph calling on Parties to fund the SN.

New Zealand also made similar remarks as the EU and suggested that having an open dialogue process would ensure that the PA is not being re-litigated. It suggested that the landing zone would be to ensure that the SN is properly funded and that there is a process to explore the possibilities going forward. **Japan** indicated that it also had no mandate to deal with the issue of loss and damage finance. It suggested that Parties should first discuss what is important for the SN in terms of its structure and indicated that it could be ready to discuss the issue by 2022. **Australia** said that it was keen to make sure that the SN is provided with support and acknowledged that there seems to be agreement on the need to have formal discussions on loss and damage finance. It indicated its willingness to have a solid process such as a dialogue that would be facilitated by the SBs chairs, would be time-bound (e.g. at least two to three years) with enough time for proper discussion, open to participation by other stakeholders, with periodic reporting to the SBs. It pointed out that such a dialogue would identify the issues and how to best deal with these issues so as to enhance loss and damage finance.

In response to the statements made by developed countries, various developing country negotiators spoke in support of the G77 proposal for a loss and damage finance process that is structured under the SBs, focused on the eventual establish of a loss and damage finance facility, and is time-bound.

The **UK COP Presidency** representative then stated that time was running out and that the COP President had instructed his team that all negotiations and discussions among Parties on various issues had to stop to provide time for the Presidency team to put together their final decision texts that would then be published the next day (13 November). The G77 suggested that its proposals could be incorporated into the text in brackets for the plenary to then consider. The UK representative stressed that because the G77 proposals for the establishment of a loss and damage facility or for a process that would lead to such a facility did not enjoy any consensus, the Presidency would not be able to put such proposals into the text.

At that point, the US stated that it really could no longer engage on any sort of textual exercise on the G77 proposal, whether on the facility or on the process for such a facility and stated that it had nothing left to offer. **Australia**, **New Zealand** and the **EU** indicated that they were willing to see if there could still be some agreement that could be reached on a process mandate in terms of starting a dialogue. The **US** indicated that it had no mandate to agree on any kind of process.

On 13 November, the final day of the COP, the UK COP Presidency released the draft decision text of the CMA cover decision and for the entire package of decisions to be adopted by the CMA. In the CMA draft decision, paragraphs 67 to 70 provided a mandate for the funding of the SN, including urging developed countries to provide funds for the operation of the Network and the provision of technical assistance. Through paragraphs 73 and 74, the CMA decided to "establish the Glasgow Dialogue between Parties, relevant organizations and stakeholders to discuss the arrangements for the funding of activities to avert, minimize and address loss and damage associated with the adverse impacts of climate change, to take place in the first sessional period of each year of the Subsidiary Body for Implementation, concluding at its sixtieth session (June 2024)" and requested "the Subsidiary Body for Implementation to organize the Glasgow Dialogue in cooperation with the Executive Committee of the WIM for Loss and Damage associated with Climate Change Impacts". These paragraphs were endorsed by COP 26 in paragraph 43 of its own cover decision.

At the closing plenary on the final day, the paragraphs relating to loss and damage in the draft decisions of 1/CMA.3 and 1/CP.26 were subsequently adopted without any changes. After the adoption of the decisions, the Chair of the G77 stated for the record that "the Group expresses its extreme disappointment with paragraphs 73 and 74 of draft decision 1/CMA.3 on a dialogue related to loss and damage. This is very far from the concrete call for a loss and damage facility that the Group came together to make and seek an answer for here in Glasgow. But in the spirit of compromise, we will be able to live with these paragraphs as is on the understanding that it does not reflect nor prejudge the unequivocal outcome that we seek on finance for loss and damage to reach the most vulnerable, which due to history and human rights and basic common decency the G77 and China will continue to pursue. To this end, we understand that the dialogue referred to in Paras 73 and 74 has as its end goal the establishment of the LD facility".

THE SANTIAGO NETWORK'S FURTHER OPERATIONALISATION – FUNCTIONS AND INSTITUTIONAL ARRANGEMENTS

The SN was established at COP 25 in Madrid in 2019 as part of the WIM and is intended to "catalyse the technical assistance of relevant organizations, bodies, networks and experts, for the implementation of relevant approaches at the local, national and regional level, in developing countries that are particularly vulnerable to the adverse effects of climate change". However, other than inviting loss and damage-related technical assistance providers to provide reports on their progress to the WIM ExCom and for the latter to include such information in its annual reports, there were no provisions describing what the SN would do, how it should function, nor what its institutional arrangements would be.

The G77/China on 1 November 2021 stated that while the SN was established (in Madrid), its operational modalities were not, and needed to be developed for the Network to be effective in its mandate. The G77 elaborated further that the form, functions, institutional coordination arrangements and financing for the SN had not been fleshed out and agreed to by the Parties. The Group then called on the SBs to include "specific recommendations to the COP and the CMA for a decision on the form, functions, and institutional arrangements needed for the operationalization of the Santiago Network".

The following day, on 2 November, the G77 tabled its proposed elements for the COP 26 decision, indicating that "the Santiago Network should enable it and its members to deliver on the objective of catalyzing technical assistance for the implementation of approaches to address loss and damage by engaging proactively with Parties to assist them in identifying and prioritizing their technical assistance and other support needs in relation to loss and damage-related events, including slow onset and extreme weather events, and then actively assisting Parties to source technical assistance and their need for other support, through activities including: (a) channel, link or guide loss and damage-related technical assistance to where these are needed and requested on the ground; (b) disseminate relevant information; (c) undertake pilot projects through technical assistance to unlock larger packages of finance and other support; and (d) facilitate an integrated and coherent scaling up of technical assistance and other support over time to developing countries to address loss and damage under the Convention and its PA. The Network would also provide a channel for the communication of the loss and damage-related needs of Parties to Network partners".

According to sources, developed countries, in particular the **US**, the **EU**, **Australia**, **New Zealand**, **Switzerland**, and **Norway**, took the position that the functions of the SN should be discussed together with the discussion on its institutional arrangements, to be undertaken during 2022. The G77 and its sub-groupings and individual countries such as the **Philippines** and **Indonesia** countered by stating that a clear outcome on the functions of the SN to be taken at COP 26 was needed to lay the basis for ensuring that any institutional arrangements for the Network that may be agreed upon in 2022 would be fit for purpose. Many of the G77 sub-groups stressed that having a substantive outcome at COP 26 on the functions of the Network was essential for progress on loss and damage to be made. The G77 stressed that "form follows function".

The initial versions of the SB co-facilitators' draft conclusions and decision that were circulated on 3 November 2021 did not contain any reference as to the functions of the SN, which was not acceptable to the G77 and in response, it tabled on 4 November a specific proposal outlining what it viewed to be the functions of the SN.

Negotiations among the Parties on 4 and 5 November centred around the textual proposal of the G77. The main dividing line between developed and developing countries was on what exactly would be the functions of the SN vis-à-vis those of its members in terms of catalysing technical assistance.

Developed countries in general wanted the SN to be more high level with most of the work to be done by its members, while developing countries wanted it to be more proactive, including through its institutional arrangements, in catalysing technical assistance and other support. This was because developed countries were concerned about agreeing to functions that would eventually lead to the establishment of a new agency or institution that would need additional resources to be staffed, while developing countries were more concerned about ensuring that any body that would be running the SN is able to assist developing countries in accessing technical assistance and other support.

There was agreement among the Parties on 5 November on an initial set of four functions for the SN based on the functions proposed by the G77 and on the mandate to be given to the SBs for a process in 2022 to discuss and provide recommendations on the institutional arrangements for the SN. However, by late evening of 5 November the SB Chairs told Parties that negotiating time had run out as the draft decision text had to be prepared and published for adoption by the SBs on 6 November. At the final informal consultations held on 5 November 2021, the Parties agreed with the SB co-facilitators that the SB Chairs would convey to the UK COP Presidency the Parties' request for Parties to be allowed to continue negotiations at the technical level during the second week of COP 26.

During the second week, the UK COP Presidency convened informal consultations at the technical level to allow Parties to continue to negotiate on the remaining functions that Parties had started working on during the first week but were not able to conclude. These were on the Network's functions to help developing countries to identify, define, and access technical assistance to address their needs, and for the Network to facilitate the consideration of a wide range of topics.

Intensive technical-level negotiations took place on these two additional functions on 8 and 9 November among the Parties. The debate among Parties was focused again on the Network's specific role and activities to assist developing countries in catalysing technical assistance from both within and outside of the Network, and on the identification of a specific list of issues that would be considered by the Network and its members as part of their work.

Developed countries largely took the position of wanting the SN to be hands-off in providing such assistance, preferring instead that such assistance be delivered through the Network's members, and preferred not to list any specific issue areas. Developing countries, on the other hand, preferred clearer language that would mandate the SN, its convening body or host, and its members to be more direct and proactive in assisting developing countries in identifying and obtaining technical assistance and other support and for the list of topics or issue areas to be more specific as well.

Following the negotiations, the six functions of the SN are now reflected as paragraphs 9(a) to (f) of the COP 26 and CMA 3's decision on loss and damage[1], as follows:

"9. Decides that the Santiago Network is to have the following functions:

(a) Contributing to the effective implementation of the functions of the Warsaw International Mechanism, in line with the provisions in paragraph 7 of decision 2/CP.19 and Article 8 of the Paris Agreement, by catalysing the technical assistance of organizations, bodies, networks and experts;

(b) Catalysing demand-driven technical assistance including of relevant organizations, bodies, networks and experts, for the implementation of relevant approaches to averting, minimizing and addressing loss and damage in developing countries that are particularly vulnerable to the adverse effects of climate change by assisting in: (i) Identifying, prioritizing and communicating technical assistance needs and priorities; (ii) Identifying types of relevant technical assistance; (iii) Actively connecting those seeking technical assistance with best suited organizations, bodies, networks and experts; (iv) Accessing technical assistance available including from such organizations, bodies, networks and experts;

(c) Facilitating the consideration of a wide range of topics relevant to averting, minimizing and addressing loss and damage approaches, including but not limited to current and future impacts, priorities, and actions related to averting, minimizing, and addressing loss and damage pursuant to decisions 3/CP.18, and 2/CP.19, the areas referred to in Article 8, paragraph 4, of the Paris Agreement and the strategic work-streams of the five-year rolling workplan of the Executive Committee;

(d) Facilitating and catalysing collaboration, coordination, coherence and synergies to accelerate action by organizations, bodies, networks and experts, across communities of practices, and for them to deliver effective and efficient technical assistance to developing countries;

(e) Facilitating the development, provision and dissemination of, and access to, knowledge and information on averting, minimizing and addressing loss and damage, including comprehensive risk management approaches, at the regional, national and local level;

(f) Facilitating, through catalysing technical assistance, of organizations, bodies, networks and experts, access to action and support (finance, technology and capacity building) under and outside the Convention and the Paris Agreement, relevant to averting, minimising and addressing loss and damage associated with the adverse effects of climate change, including urgent and timely responses to the impacts of climate change."

The Parties also agreed that the discussion on the SN's functions had been completed, and that the process in 2022 would then focus on the Network's institutional arrangements.

Developing countries were of the view that the functions for the SN that were agreed represented another key step forward in the further institutionalisation of loss and damage as a key pillar of the UNFCCC and its Paris Agreement's institutional architecture.

WIM GOVERNANCE

The third major issue related to loss and damage was the issue of "WIM governance". This is the debate about which governing body now governs the WIM.

[1] https://unfccc.int/sites/default/files/resource/cma2021_L02E.pdf

The G77 has had a long-standing position that because the WIM was established by the COP in 2013 and there has not been since then an explicit COP decision withdrawing its oversight over the WIM, the COP retains oversight over the WIM. When the Paris Agreement was adopted, its Article 8.2 states that the WIM "shall be subject to the authority and guidance of the CMA", thereby giving the CMA concurrent joint authority over the conduct by the WIM (and its bodies).

However, because Article 8.2 did not explicitly state that the CMA has "sole" authority over the WIM and neither did the COP explicitly give up its authority over the WIM through a COP decision, the current situation is that both the COP and the CMA have dual governance authority over the WIM and its bodies. This means, in practice, that the WIM's bodies, such as the Executive Committee and the SN, would be reporting to and are subject to the authority and guidance of the COP and the CMA.

For developing countries, dual governance is important because there are activities that may be undertaken through the WIM on loss and damage that may not necessarily fall under Article 8 of the Paris Agreement. This would include, for example, the provision of loss and damage finance.

The developed countries, on the other hand, state that precisely because of Article 8.2 of the Paris Agreement, the CMA now has sole authority over the WIM (including over the WIM's bodies such as the Executive Committee and the Santiago Network) and that the WIM's functions are solely with respect to the implementation of Article 8 of the Paris Agreement. This would mean that paragraph 51 of decision 1/CP.21 (the decision adopting the Paris Agreement) would then be applicable to the work of the WIM and its bodies insofar as some aspects of loss and damage financing are concerned – i.e. "that Article 8 of the Agreement does not involve or provide a basis for any liability or compensation".

This issue was again flagged by the G77, with some of its constituency groups such as the LDC Group calling for a specific agenda item under the COP to discuss this issue. The Group also called for any decision on loss and damage to be jointly adopted by the COP and the CMA, such as using "mirrored" decisions.

However, no consultations or negotiations among the Parties were undertaken on this issue during the first week of COP 26. Instead, placeholder paragraphs were indicated in the SB decisions on the WIM that were adopted on 6 November.

The UK COP Presidency then conducted bilateral informal consultations under its authority on this issue during the second week of COP 26. It subsequently concluded following such consultations that there was no consensus on the issue, with Parties and groups standing by their own positions.

The UK COP Presidency decided to take the approach taken by the Chile COP 25 Presidency in Madrid to kick the WIM governance issue into the future, while at the same time essentially recognising that both the COP and the CMA have roles to play in having oversight and authority over the WIM.

Paragraph 13 of decision 7/CMA.3 "Notes that considerations related to the governance of the WIM will continue at its fourth session (November 2022)", with a corresponding footnote 10 indicating that "It is noted that discussions on governance of the WIM did not produce an outcome; this is without prejudice to further consideration of this matter."

The COP 26 decision 7/CP.26 also noted that "considerations related to the governance of the WIM will continue at its twenty-seventh session (Nov.022)", with identical footnotes stating: "It is noted that discussions on governance of the WIM did not produce an outcome; this is without prejudice to further consideration of this matter."

Whether and when this WIM governance issue will be resolved in the future remains to be seen.

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Article 6 outcomes on market/non-market approaches

Penang, 22 November (Meena Raman) – After almost six years of negotiations over Article 6 of the Paris Agreement (PA), decisions were reached at the Glasgow climate talks on the rules for its implementation. The talks took place from 31 October to 13 November.

Article 6 of the PA is referred to as "cooperative approaches" among Parties, involving the use of market and non-market mechanisms in the implementation of their nationally determined contributions (NDCs). Particularly for the developed countries who are relying on the use of carbon markets for offsetting their emissions in part to achieve their NDCs (by paying developing countries to undertake the reductions), the Glasgow guidance on the operationalisation of the approaches was seen as a significant step.

For those Parties, especially from developing countries led by the Like-Minded Developing Countries (LMDC) who advanced the use of the non-market route in achieving their NDCs, a big victory was in the establishment of the "Glasgow Committee on Non-market Approaches" under Article 6.8 of the PA. With developed countries initially resisting a formal institutional mechanism to advance the non-market approaches (NMAs), the final outcome in favour of the Glasgow Committee is viewed as a significant win.

A big loss for developing countries was in relation to the market-based approach under Article 6.2, where they could not get a decision for a mandatory contribution to the Adaptation Fund (AF) from a share of proceeds from the cooperation among Parties in what is called the "international transfer of mitigation outcomes" (ITMOs). The final decision adopted only "strongly encourages" Parties and stakeholders involved in the transaction to make a contribution to the AF, to the utter frustration of developing countries, who witnessed very strong opposition from the United States (US) in this regard. The US would not budge despite the numerous pleas from developing countries.

According to sources, in the final hours of the negotiations in Glasgow on Saturday, 13 November, an intense discussion took place between the US, led by John Kerry, the minister from Gabon representing the Africa Group, and the Chair and Article 6 coordinator of the G77 and China from Guinea and Senegal respectively, on whether contributions from ITMOs to the AF under Article 6.2 through a 5% share of proceeds from ITMOs transactions should be made mandatory, rather than it simply being voluntary.

Having Article 6.2's share of proceeds from the transfers of ITMOs would have complemented the mandatory 5% share of proceeds for the AF under the Article 6.4 mechanism, increasing the flow of funds from Article 6.2 and 6.4 transactions to the AF, thereby increasing adaptation funding for developing countries. The fear of developing countries was that with just having the proceeds to be mandatory from the Article 6.4 mechanism, Parties would prefer to use the ITMOs approach under Article 6.2 since the requirement there is not mandatory, thus depriving the AF of a predictable source of revenue from the transactions.

The US made clear that it would not agree to mandatory contributions for Article 6.2, with John Kerry stressing that the US had already pledged a lot of money on the table for the AF, and that such voluntary pledges were more reliable than having a mandatory share of proceeds under Article 6.2. Other members of the US delegation (who were also present at the meeting) cited difficulties in agreeing to institutional and administrative arrangements that would be needed to supervise any transfer of the share of proceeds to the AF if these were to be made mandatory. Kerry pointed out that the deal on the table with Article 6.2 contributions to the AF being voluntary was the most it could give, while the developing country representatives continued to press for mandatory contributions.

With no agreement in sight due to US opposition on the matter, ministers and heads of delegation from the G77 then met to discuss the way forward to deal with the US obstinacy. Sources said that the developing country ministers were divided on whether to block a deal in Glasgow over this, with some ministers expressing anger over the US stance, while others feared being blamed for the collapse of the talks. With no G77 consensus on the matter due to the divergence of views within the group, the US position prevailed.

(The PA provides for a share of proceeds from the Article 6.4 mechanism but does not provide for this under Article 6.2. Developing countries, led by the Africa Group in particular, had been insisting that despite the lack of mention in the PA in this regard, it was vital to have a similar provision for the ITMOs approach for the sake of having a predictable source of funding for the AF. The AF was set up under the Kyoto Protocol [KP], and received funding from a share of proceeds from the Clean Development Mechanism [CDM] under the KP. With the transition of the CDM to the Article 6.4 mechanism of the PA, the grave concern is whether the AF will continue to receive a predictable source of funds, instead of just relying on the voluntary contributions from developed countries.)

There were also other contentious issues where negotiators on Article 6 have been embroiled over the years, including the following:

- accounting aspects relating to corresponding adjustments;
- issues relating to metrics, other than the metric tonnes of carbon dioxide equivalent (tCO2eq) contained in NDCs;
- use of the approaches for other international mitigation purposes (apart from the purpose of achieving a Party's NDC);
- transition of activities under the KP (such as the emission reduction credits from the CDM);
- delivering on the overall mitigation in global emissions; and
- the governance of the framework for non-market approaches

Some key highlights of the Article 6 decisions adopted are provided below.

ARTICLE 6(2) DECISION

What are ITMOs

One issue at the last COP in Madrid (in 2019) was the definition of ITMOs and whether the mitigation outcomes to be transferred can be measured in any metrics other than the metric tCO2eq, which are consistent with the NDCs of the participating Parties. Developed countries (but not including Japan) and the Alliance of Small Island States (AOSIS) were opposed to having any metrics other than tCO2eq, while some developing countries such as the LMDC, the Arab Group, India, and South Korea were in support of the use of other metrics as well, reflecting all NDC types.

The guidance adopted under Article 6.2 in Glasgow covers all types of NDCs, all metrics and is to be used to achieve the NDCs and also for other international mitigation purposes.

The guidance sets out what ITMOs are, that is:

"(a) Real, verified, and additional;

(b) Emission reductions and removals, including mitigation co-benefits resulting from adaptation actions and/or economic diversification plans or the means to achieve them, when internationally transferred;

(c) Measured in metric tonnes of carbon dioxide equivalent (tCO2eq) in accordance with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change (IPCC) and adopted by the CMA or in other non-greenhouse gas (GHG) metrics determined by the participating Parties that are consistent with the NDCs of the participating Parties;

(d) From a cooperative approach referred to…in Article 6.2 (…referred to as a cooperative approach) that involves the ITMOs authorized for use towards an NDC….

(e) Generated in respect of or representing mitigation from 2021 onward;

(f) Mitigation outcomes authorized by a participating Party for use for international mitigation purposes other than achievement of an NDC (…referred to as international mitigation purposes) or authorized for other purposes as determined by the first transferring participating Party (hereinafter referred to as other purposes) (international mitigation purposes and other purposes are hereinafter referred to together as other international mitigation purposes);

(g) Article 6.4, emission reductions issued under the mechanism established by Article 6.4, when they are authorized for use towards achievement of NDCs and/or authorized for use for other international mitigation purposes."

Corresponding adjustments

In Paris in 2015, in decision1/CP.21, the Subsidiary Body for Scientific and Technological Advice (SBSTA) was tasked with developing the guidance for Article 6.2, "including guidance to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties for both anthropogenic emissions by sources and removals by sinks covered by their NDCs".

This means that when a Party transfers a mitigation outcome internationally to be counted towards another Party's mitigation contribution, this mitigation outcome that is transferred cannot be counted by the Party that agreed to transfer it in the achievement of its own NDC, and therefore, this requires a "corresponding adjustment" to be made in the accounting of their emission reductions.

The guidance adopted provides that "For all ITMOs (ITMOs in a non-GHG metric determined by the participating Parties and ITMOs measured in tCO2eq), each participating Party shall apply corresponding adjustments, consistently with this guidance and relevant future decisions of the CMA".

It further states that "Each participating Party shall apply corresponding adjustments in a manner that ensures transparency, accuracy, completeness, comparability and consistency; that participation in co-operative approaches does not lead to a net increase in emissions across participating Parties within and between NDC implementation periods; and that corresponding adjustments shall be representative and consistent with the participating Party's NDC implementation and achievement".

There are no limits to how much of ITMOs a Party uses to achieve its NDC, but the caveat is that "Each participating Party shall ensure that the use of cooperative approaches does not lead to a net increase in emissions of participating Parties within and between NDC implementation periods or across participating Parties…".

The Glasgow decision has also requested the SBSTA to undertake further work to develop recommendations for the consideration and adoption by the CMA in November 2022 for the "elaboration of further guidance in relation to corresponding adjustments for multi-year and single-year NDCs, in a manner that ensures the avoidance of double counting".

ARTICLE 6(4) DECISION

The decision adopted the rules for the mechanism established by Article 6(4); designated a "Supervisory Body" for the mechanism; and invited "the nomination of members and alternate members for the Supervisory Body" to advance further work.

An "Article 6.4 emission reduction" (A6.4ER) is "issued for mitigation achieved pursuant to Article 6, paragraphs 4-6, these rules, modalities and procedures, and any further relevant decisions of the CMA. It is measured in carbon dioxide equivalent and is equal to 1 tonne of carbon dioxide equivalent calculated in accordance with the methodologies and metrics assessed by the IPCC and adopted by the CMA or in other metrics adopted by the CMA…".

The CMA decided that "at least two meetings of the Supervisory Body shall be held in 2022"; and requested the following of the Supervisory Body:

(a) Develop provisions for the development and approval of methodologies, validation, registration, monitoring, verification and certification, issuance, renewal, first transfer from the mechanism registry, voluntary cancellation and other processes, ….(Delivering overall mitigation in global emissions);

(b) In the context of developing and approving new methodologies for the mechanism:

    (i) Review the baseline and monitoring methodologies in use for the CDM under Article 12 of the KP with a view to applying them with revisions as appropriate …, for the activities under the mechanism (referred to as Article 6.4 activities);

    (ii) Consider the baseline and monitoring methodologies used in other market-based mechanisms as a complementary input to the development of baselines and monitoring methodologies pursuant to chapter V.B of the annex (Methodologies);

(c) Review the sustainable development tool in use for the CDM and other tools and safeguard systems in use in existing market-based mechanisms to promote sustainable development with a view to developing similar tools for the mechanism by the end of 2023;
(d) Review the accreditation standards and procedures of the CDM with a view to applying them with revisions as appropriate, for the mechanism by the end of 2023;
(e) Expeditiously accredit operational entities as designated operational entities; and other matters.

As regards the Article 6.4 activity design, the rules state that the activity "shall be designed to achieve mitigation of GHG emissions that is additional, including reducing emissions, increasing removals and mitigation co-benefits of adaptation actions and/or economic diversification plans (collectively referred to as emission reductions), and not lead to an increase in global emissions" etc.

The activity "shall also: (i) deliver real, measurable and long-term benefits related to climate change…; (ii) minimize the risk of non-permanence of emission reductions over multiple NDC implementation periods, and, where reversals occur, ensure that these are addressed in full; (iii) minimize the risk of leakage and adjust for any remaining leakage in the calculation of emission reductions or removals; (iv) minimize and where possible, avoid negative environmental and social impacts; and "shall undergo local and, where appropriate, subnational stakeholder consultation consistent with applicable domestic arrangements in relation to public participation, local communities and indigenous peoples, as applicable".

Share of proceeds

The decision adopted also provides for a levy of share of proceeds for the AF and to cover administrative expenses. The share of proceeds that is levied "shall be comprised of: (a) A levy of 5 per cent of A6.4ERs at issuance; (b) A monetary contribution related to the scale of the Article 6.4, activity or to the number of A 6.4ERs issued, to be set by the Supervisory Body; (c) After the mechanism becomes self-financing, a periodic contribution from the remaining funds received from administrative expenses…after setting aside the operating costs for the mechanism and an operating reserve, at a level, and with a frequency to be determined by the CMA. The share of proceeds to cover administrative expenses shall be set in monetary terms at a level and implemented in a manner to be determined by the CMA".

Transition of CDM activities and use of certified emission reductions towards first NDCs

A big sticking point over the Article 6.4 mechanism was around transition of the CDM projects and the transition of the certified emission reduction units (CERs) under the KP to the Article 6(4) mechanism.

The adopted rules for the mechanism in relation to transition of CDM projects state the following: "Project activities and programmes of activities registered under the CDM…may transition to the mechanism and be registered as Article 6.4 activities subject to all…conditions".

In relation to use of CERs, the rules state as follows: "CERs issued under the CDM may be used towards achievement of an NDC provided the following conditions are met:

(a) The CDM project activity or CDM programme of activities was registered on or after 1 January 2013;
(b) The CERs shall be transferred to and held in the mechanism registry and identified as pre-2021 emission reductions;
(c) The CERs may be used towards achievement of the first NDC only;
(d) The CDM host Party shall not be required to apply a corresponding adjustment … and not be subject to the share of proceeds…"

An earlier version of the text was as follows: "CERs issued under the CDM may be used towards achievement of an NDC in accordance with the following conditions: (a) The CDM project activity or CDM programme of activities was registered on or after [1 January [2013][2016]". Parties agreed to the 2013 option instead of the 2016 time frame.

ARTICLE 6(8) DECISION

For Article 6(8) on NMAs, the problematic issue was around how to implement them. The CMA adopted "the work programme under the framework for NMA".

The work programme adopted states that "Each NMA facilitated under the framework, in the context of Article 6.8 (a) Aims to: (i) Promote mitigation and adaptation ambition; (ii) Enhance participation of public and private sector and civil society organizations in the implementation of NDCs; and (iii) Enable opportunities for coordination across instruments and relevant institutional arrangements; (b) Assists participating Parties in implementing their NDCs in an integrated, holistic and balanced manner, including through, inter alia: (i) Mitigation, adaptation, finance, technology development and transfer, and capacity-building, as appropriate; (ii) Contribution to sustainable development and poverty eradication."

The work programme also provides that "each NMA facilitated under the framework: (a) Is identified by the participating Parties on a voluntary basis; (b) Involves more than one participating Party; (c) Does not involve the transfer of any mitigation outcomes; (d) Facilitates the implementation of NDCs of host Parties and contributes to achieving the long-term temperature goal of the PA; (e) Is conducted in a manner that respects, promotes and considers respective obligations of Parties on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity; (f) Minimizes and, where possible, avoids negative environmental, economic and social impacts".

On the governance of the NMA framework, the decision adopted states as follows:

"The Glasgow Committee on Non-market Approaches is hereby established to implement the framework and the work programme by providing Parties with opportunities for non-market-based cooperation to implement mitigation and adaptation actions in their NDCs.

"The Glasgow Committee will be convened by the Chair of the SBSTA and operate in accordance with the procedures applicable to contact groups and under the guidance of the Chair. It will meet in conjunction with the first and second sessional period meeting of the SBSTA each year, with its 1st meeting to take place in conjunction with SBSTA 56 (June 2022)."

The CMA also decided that the initial focus areas of the work programme activities include "adaptation, resilience and sustainability; mitigation measures to address climate change and contribute to sustainable development; and development of clean energy sources".

The CMA also requested the "Glasgow Committee on Non-market Approaches to develop and recommend a schedule for implementing the work programme activities…, which may contain the timeline and expected outcomes for each activity, including specifications for the UNFCCC web-based platform…such as its functions, form, target users and information to be contained thereon, with a view to supporting the effective implementation of the work programme, for consideration and adoption by the CMA 4 (November 2022)".

Developing countries led by the LMDC wanted a dedicated institution to undertake the work programme, instead of just the SBSTA being tasked to do this, since the SBSTA has many matters on its agenda. The final outcome in establishing the Glasgow Committee is welcomed by developing countries.

Further work will continue in the coming years on taking the Glasgow Article 6 decisions forward.

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Glasgow Pact: A setback for equity, the poor and planet

Penang, 24 November (Meena Raman) – Contrary to the mainstream spin that the Glasgow outcomes (called Glasgow Pact) were "historic", for the first-time mention of the "phase-down of unabated coal" and "phase-out of inefficient fossil fuel subsidies" and in managing to "keep the 1.5°C temperature limit alive", an honest assessment of the decisions reached will show that there has been a grave setback for equity, the poor and the planet.

The Pact has been viewed as being relatively strong on the steps to be taken on mitigation (but in the wrong direction with net zero targets in 2050), but without the commensurate scale of finance for developing countries, including for adaptation and loss and damage.

While developing countries have expressed disappointment in this regard, especially on the failure to deliver on the USD 100 billion per year by 2020 promise, in the case of mitigation, the Glasgow Pact has enabled the undifferentiated sharing of the responsibility between developed and developing countries for meeting the current emissions gap (i.e. reductions needed to limit temperature rise as per the Paris Agreement [PA] goal and what are in the nationally determined contributions [NDCs] of all Parties), without any regard for the historical responsibility of developed countries and their overuse of the atmospheric space since the pre-industrial era.

Instead of being true to ensuring international climate cooperation on the basis of equity and in respecting the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) between developed and developing countries, which is the bedrock of the UNFCCC, the Kyoto Protocol (KP) and the PA, developed countries persisted in subverting the equity principle to one of "common and shared responsibilities" by ignoring their historical responsibility.

In fact, they have successfully managed to chart their "great escape" from the much-needed rapid emission reductions today to distant pledges of 2050 net zero targets, coupled with the potential use of carbon offsets in nature, including forests and oceans, through trading in the international carbon market, all of which have been made possible by the decisions reached in Glasgow.

Despite the persistent efforts of some developing country groupings such as the **Like-Minded Developing Countries (LMDC)** to influence the draft texts against legitimising the net zero targets by 2050 especially of developed countries, and to take into account the latter's historical responsibilities and overuse of the atmospheric space, the Glasgow Pact failed to reflect these concerns, due to opposition from developed countries.

This led to **Bolivia**, speaking for the **LMDC** in its intervention on the final day in response to "keeping the 1.5°C goal alive", to express that calls for net zero targets by 2050 by all was a "great fallacy" and a "great escape by the developed countries" from "doing real rapid emissions reduction now" and that this amounted to "carbon colonialism", with the exhaustion of the remaining carbon budget left within this decade.

This narrative of the "great escape" and "carbon colonialism" of the developed countries escaped the mainstream media, but what prevailed was the scapegoating of **India** and **China** as the "villains" of Glasgow.

It was the "common and shared approach" in blurring differentiation between developed and developing countries on climate actions that led to the highly sensationalised drama over a paragraph in the Glasgow Pact that called on all Parties to "phase-down" on "unabated coal" and to "phase-out inefficient fossil fuel subsidies" and cast India and China in a bad light.

The controversial paragraph in point, prior to the gavelling of the final decisions, referred to a "phase-out" of "unabated coal" and did not have any reference to "provision of targeted support for the poorest and most vulnerable in line with national circumstances", which were insertions proposed by India and supported by China.

Invisible to many were the billions of poor people in developing countries with either limited or no access to modern energy at all, including in India and China.

For all their spin about the need to keep the 1.5°C temperature limit alive, according to sources, developed countries had no intention of allowing any reference to the phase-out of all fossil fuels, despite calls to do so, given their own plans for continued expansion in extraction of and dependence on oil and gas.

In fact, the irony was that US President Joe Biden, just ahead of the Glasgow talks, asked the Organisation of Petroleum Exporting Countries (OPEC) to pump more oil, in order to keep energy prices low.

The doublespeak of developed countries in not walking the talk in showing real leadership in climate action and in enabling the just transition in developing countries, was plainly obvious to many developing country governments and climate justice movements.

UNDERMINING OF EQUITY AND REFUSAL TO ACKNOWLEDGE HISTORICAL RESPONSIBILITY

If one thing is clear from the climate talks, it was the persistent efforts of developed countries in undermining equity and the principle of CBDR-RC.

The UNFCCC notes "that the largest share of historical and current global emissions of greenhouse gases (GHGs) has originated in developed countries, that per capita emissions in developing countries are still relatively low and that the share of global emissions originating in developing countries will grow to meet their social and development needs".

Even at COP 16 in 2010, it was acknowledged "that the largest share of historical global emissions of GHGs originated in developed countries and that, owing to this historical responsibility, developed country Parties must take the lead in combating climate change and the adverse effects thereof".

In Glasgow, efforts by developing countries to even include such references to historical emissions and responsibility in the draft decisions were thwarted, due to opposition from developed countries, despite such language existing in the UNFCCC and in previous decisions.

Despite saying that Parties must be guided by the best available science, there was clearly an effort to selectively use what the "science" says. The Glasgow Pact, adopted under the COP as well as the CMA (Conference of Parties to the PA), welcomed the recently released report of the Intergovernmental Panel on Climate Change (IPCC) on "The Physical Science Basis". This report, viewed as the "code-red" for humanity and the planet, reaffirms the linear relationship between cumulative emissions and the rise in global surface temperature. It notes that from 1850 to 2019, approximately 2,390 GtCO2 were emitted and this was responsible, along with lesser contributions from other greenhouse gases (GHGs), for an increase in global surface temperatures of about 1.07°C compared to pre-industrial times.

According to experts, the report reveals that for a 50% probability of limiting temperature rise to below 1.5°C, the total carbon budget remaining is only 500 GtCO2 of emissions, and with current emission trends, this will be exhausted within a decade or so. According to experts, global emission databases reveal that developed countries have been responsible for over 60% of these past emissions. Yet, these facts did not find their way into the Glasgow Pact.

Developing countries had a tough time in having the principles of equity and CBDR-RC respected and operationalised in the decisions. The task was monumental, as developed countries in their interventions spoke of "shared responsibilities" and not "differentiated responsibilities" and focused on future emissions and not past emissions. It was as if history needed to be wiped out, including references to the Convention provisions.

Typographical errors in the Glasgow Pact or deliberate sleight of hand?

The COP 26 cover decision (1/CP.26) referred to "processes" and has no reference to the word "provisions" of the UNFCCC anywhere – a concern raised by the **LMDC** on the final day, prior to the gavelling of the decision.

The LMDC was referring to the following preambular paragraph of decision 1/CP.26, which states: "*Recognizing* the role of multilateralism and the Convention, including its processes and principles, and the importance of international cooperation in addressing climate change and its impacts, in the context of sustainable development and efforts to eradicate poverty.” (Emphasis added.)

Also missing in paragraphs 4 and 23 of decision 1/CMA3 was the “comma” that is in Article 2.2 of the PA in relation to the “CBDR-RC” before the words “in the light of national circumstances”.

Paragraph 4 “*Recalls* Article 2.2 of the PA, which provides that the PA will be implemented to reflect equity and the principle of CBDR-RC in the light of different national circumstances. Paragraph 23 “… *recognizes* that this requires accelerated action in this critical decade, on the basis of the best available scientific knowledge and equity, reflecting CBDR-RC in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty”.

(Article 2.2 of the PA reads: “*This Agreement will be implemented to reflect equity and the principle of CBDR-RC, in the light of different national circumstances.*”)

Bolivia, speaking for the **LMDC** in its intervention in this regard, suggested “…some editorial amendments to the texts. There is the need to change the thinking in the proposed 1/CP.26 decision that instead of processes and principles under the Convention, we have principles and provisions. There is the need to introduce a comma in between respective capabilities and in the light of national circumstances” which it said “was a Paris fight”.

(In the run-up to the negotiations in and at Paris, at issue was whether and how the principle of CBDR-RC will be operationalised in all the elements of the Agreement. Developed countries had insisted that the PA must reflect the “evolving economic and emission trends” of countries in the post-2020 time frame, while developing countries continued to argue that given the historical emissions of developed countries, the latter should continue to bear the responsibility in taking the lead in emission reductions and in helping developing countries with the provision of finance, technology transfer and capacity-building as provided for under the UNFCCC. What is captured in Article 2.2 is the “landing-zone” arrived at in reflecting the CBDR-RC principle, following the China-US joint statement issued in 2014, prior to COP 20 in Lima, which found its way to the PA. According to sources who were involved in the joint statement, the “comma” was a big battle between China and the US, signifying in China’s view the continued differentiation between developed and developing countries.)

Were these omissions in Glasgow a deliberate sleight of hand or were they really typographical errors? Given the considerable lack of trust in the process, such concerns from developing countries are not far-fetched.

Also noteworthy is that there are paragraphs in the Glasgow Pact that do not refer to CBDR-RC but to just “taking into account of different national circumstances”, meaning that there is no differentiation between developed and developing countries, and what matters is the “different national circumstances” of all countries, thus diluting further the concept of equity.

For instance, paragraph 29 of the decision reads as follows: “…*requests* Parties to revisit and strengthen the 2030 targets in their NDCs (which means the current NDCs) as necessary to align with the PA temperature goal by the end of 2022, taking into account different national circumstances”. (Emphasis added here and in the paragraphs below).

Again, paragraph 32 of the same decision states: “*Urges* Parties that have not yet done so to communicate, by …(CMA 4), long-term low greenhouse gas emission development strategies…towards just transitions to net zero emissions by or around mid-century, taking into account different national circumstances.”

Further, the controversial paragraph 36 of the same decision reads: “*Calls* upon Parties to accelerate the development, deployment and dissemination of technologies, and the adoption of policies, to transition towards low-emission energy systems, including by rapidly scaling up the deployment of clean power generation and energy efficiency measures, including accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies, while providing targeted support to the poorest and most vulnerable in line with national circumstances and recognizing the need for support towards a just transition.”

Were these omissions another sleight of hand?

Developing countries of course are bound to seek comfort by relying on paragraph 23 of the CMA decision (and a similar paragraph in the COP decision) as follows: “… *recognizes* that this (referring to paragraph 22 below) requires accelerated action in this critical decade, on the basis of the best available scientific knowledge and equity, reflecting CBDR-RC in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty”, on the understanding that this is consistent with Article 2.2 of the PA, with the comma after “CBDR-RC”, as highlighted by the LMDC.

Paragraph 22 refers to the recognition “that limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global greenhouse gas emissions, including reducing global carbon dioxide emissions by 45 per cent by 2030 relative to the 2010 level and to net zero around mid-century, as well as deep reductions in other greenhouse gases”.

The fallacy of keeping the 1.5°C temperature limit alive

Commenting on the Glasgow outcomes, Alok Sharma, the UK President of COP 26, said: “We can now say with credibility that we have kept 1.5°C alive. But, its pulse is weak and it will only survive if we keep our promises and translate commitments into rapid action.”

Nothing can be further from the truth, as even with the translation of words into action, the outcome on the mitigation ambition is a complete charade and farce in keeping the 1.5°C limit alive.

This, as has been pointed out above, is mainly due to distant 2050 net zero targets pledged by developed countries, coupled with the potential use of carbon offsets in developing countries through the carbon market, made possible by the implementation of the PA’s Article 6.

In this regard, what **Bolivia**, speaking for the **LMDC**, said in its intervention is worth repeating. It said: “We think that net zero by 2050 is a fallacy to achieve 1.5°C within reach. It is the great escape and through global carbon markets they want to escape from their responsibility with addressing climate change. Developed countries have overused their share of carbon budget and are using those that belongs to developing country Parties, which is essential to achieve their developmental rights. Therefore, instead of moving their targets for 2050 they should achieve real reduction of emissions now. For developing countries climate change is not only about climate. It is about the life of the people, sustainable development and poverty eradication. We refuse to get trapped in carbon colonialism. Developed countries are imposing new rules for addressing climate change to establish a transition towards low carbon pathways where only they have the conditions to achieve this transition, basically financial and technology conditions, creating more dependency of developing countries to the Global North. We see with concern how powerful and rich countries do not have the appetite to provide financial support and means of implementation to the developing world. This issue will not be resolved in this COP but a real moral commitment is needed in order to solve this issue. Developed countries have to be aware …that the net zero by 2050 is not going to achieve the 1.5°C within reach; (and) be aware that they are putting the burden on the youth and next generations.”

NO MENTION OF NATURE-BASED SOLUTIONS, BUT CONCERNS REMAIN

An important concern for some developing countries was on the use of the term “nature-based solutions” (NBS) in the initial drafts of the Pact, as this term is not defined in the UNFCCC and could give rise to problems, especially when linked to carbon markets and offsets. The LMDC was among those who did not want the NBS term used. However, what has remained in the Glasgow Pact adopted is paragraph 38 (and a similar paragraph in the COP decision) which reads as follows: “*Emphasizes* the importance of protecting, conserving and restoring nature and ecosystems to achieve the PA temperature goal, including through forests and other terrestrial and marine ecosystems acting as sinks and reservoirs of greenhouse gases and by protecting biodiversity, while ensuring social and environmental safeguards.”

What is clear is that with the net zero pledges of developed countries and their corporations, there will indeed be the use of carbon offsets in “nature and ecosystems” especially in developing countries to offset their emissions, as a cheaper alternative than undertaking real emission reductions domestically. This will be a real cause for concern not only for developing countries, but also for their indigenous peoples and local communities dependent on these natural resources for their livelihoods.

In an earlier version of the draft CMA cover decision, the language in this regard read: “Emphasizes the critical importance of nature-based solutions and ecosystem-based approaches, including protecting and restoring forests, to reducing emissions, enhancing removals and protecting biodiversity.”

CONCLUSION

There were some small but important wins for developing countries, which were gained after much wrangling with developed countries, in the area of the global goal on adaptation, institutionalising the functions of the Santiago Network on loss and damage, continuing discussions on long-term finance till 2027, setting out a process for defining the new collective goal on finance post-2025, ensuring the operationalising of flexibilities in the enhanced transparency framework and so on.

These small steps will be key in advancing the issues of importance for developing countries, especially at COP 27 in Egypt next year. (See all TWN Updates on COP 26 available here.)

However, in the area of mitigation, it is crucial for developing countries to rebalance the setback from Glasgow, in ensuring that the meeting of any emissions gap is on the basis of equity and the CBDR-RC principle, along with ambition on finance, technology transfer and capacity-building, so as to ensure the honouring of commitments under the UNFCCC, the KP and the PA, and not their subversion.