

Negotiations shift into high gear

Sharm el-Sheikh, 15 Nov (Meena Raman) – Negotiations at the climate talks in Sharm el-Sheikh have reached a frenzied pace as delegates shift gears in an effort to bridge stark divergences on many issues in week two of the talks. (See TWN Update 8 for details on the key issues). ([TWN Climate News Update 8](#))

At an informal stocktaking plenary convened by COP 27 President Sameh Shoukry morning of Monday, 14 Nov, the Egyptian Foreign Minister called on Parties to shift gears and complement the technical discussions with more political engagement. He outlined the work for week two proceeding on three tracks viz. (i) continued technical negotiations on items under the governing bodies as well as issues forwarded by the Subsidiary Bodies; (ii) continued Presidency consultations on the cover decisions and issues raised during the opening plenaries, as appropriate; and (iii) ministerial consultations on key outstanding political issues starting no later than Wednesday, 16 Nov. The COP President expected the majority of the work to be concluded by Wed, hoping that only a few issues will remain to be resolved by ministers.

The Chairs of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technical Advice (SBSTA) reported to the plenary that Parties were not able to reach substantive conclusions in the

areas of mitigation, adaptation, loss and damage, agriculture, gender, response measures and more time was needed.

Meanwhile, discussions on finance matters remain deadlocked, including that on loss and damage funding.

The day also saw the convening of two high-level ministerial roundtables, one on pre-2030 ambition, which was co-facilitated by **Barbara Creecy**, Minister of Forestry, Fisheries and Environmental Affairs, of South Africa and **Dan Jannik Jørgensen**, Minister of Climate and Energy and Public Utilities, of Denmark; and the other on 'Long-Term Climate Finance on the progress and fulfilment of the goal of mobilizing jointly USD 100 billion per year by 2020', which was co-moderated by **Aminath Shauna**, Minister of Environment, Climate Change and Technology, Maldives and **Maria Ohisalo**, Minister of the Environment and Climate Change, Finland.

At the climate finance dialogue, **Oxfam**, who have been tracking progress on the mobilising of the USD 100 billion per year said that developed countries have failed to deliver a much needed climate finance to developing countries, and communities. "We know money is not a problem. We have seen how rich

nations have mobilized over USD 15 trillion to respond to the COVID pandemic. That is 150 times the USD 100bn goal!" it said further.

"Developed countries are saying they have reached USD 83.3 billion in 2020, of which 68.3 billion has been public finance. However, it's not all as it seems. Oxfam estimates the real value, that is climate specific net assistance, to be between USD 21 to 24.5 billion. This is a third of what developed countries are reporting. To make matters worse, 70% of the public finance, we estimate to be in the form of loans, pushing developing countries further into debt", explained the Oxfam representative.

"Even more concerning, is the increase in non-concessional loans. For instance, between the 3rd and 4th (the Standing Committee on Finance's) Biennial Report, the percentage of non-concessional instruments went from 30 to 40% of the total. This figure is even higher for multilateral development banks (MDBs). Non-concessional loans are being provided even to countries considered at risk of debt distress by the IMF (International Monetary Fund). Even the Green Climate Fund (GCF), despite its mandate, is providing 51% of its total climate finance using non concessional loans" and this is for 2019/2020.

"This is unacceptable - non-concessional loans should not be incorporated into climate finance moving forwards. We need real grant-based funding increases, and developed countries need to provide a clear road map on how they will deliver the \$600 billion, from 2020 to 2025," it said further.

Oxfam said that "Only a third, of reported climate finance went for adaptation in 2020," adding that developed countries claim that they have provided USD 28.6 billion in 2020, but our analysis shows the real value, that is climate specific net assistance for adaptation, to be between USD 9.5 to 11.5 billion. This is far from the USD 40 billion doubling adaptation target. It is even far from the UNEP estimate of developing countries need, which is USD 70billion in adaptation finance annually. So at a minimum, developed countries should honour their promise from Glasgow and provide a clear roadmap on

how they plan to deliver on doubling adaptation". Oxfam also made some recommendations. "On climate definition, countries must agree on a climate finance definition – on what can be counted as climate finance. On this, developed countries are stalling the discussion. But this issue must be resolved. As (the) Oxfam research shows, lack of climate finance definition, leads to a significant difference between the reported overall amounts and the real value of provided funds. A refined methodology on how to count climate finance is needed, including for MDBs," and added that a recently published Oxfam audit that shows that 40% of World Bank's climate finance cannot be accounted for. As the largest single provider of climate finance, enhanced transparency and accountability from the Bank is vital to build and maintain trust on these targets being met."

There were many more interventions at the roundtable on finance, with developed countries saying there are on track to mobilising the USD 100 billion, while many developing countries echoed the sentiments raised by Oxfam.

ROUND TABLE ON PRE- 2030 AMBITION

The co-facilitator of the roundtable, the **Minister from Denmark** stressed the importance of limiting temperature rise to 1.5-degree C, adding that there is a common responsibility which is also differentiated (between developed and developing countries), adding that developed countries and emerging economies have a special responsibility to do more. The **Minister from South Africa** said that there are considerable opportunities that confront us in what we can do to reduce the ambition gap and that barriers remain. She asked how we can promote just transitions where developing countries face poverty and other development challenges, adding that one of the significant barriers remains the issue of the means of implementation. Many countries and their groupings made interventions. Some of the main highlights are below.

Antigua and Barbuda for the **Alliance of Small Island States (AOSIS)** sounded the alarm once again, saying that the world is for unimaginable

loss and damage, and called for the peaking of emissions immediately, which it said must be halved within 2030. It wanted the mitigation work programme to close the ambition and implementation gap.

Bangladesh for the Least Developed Countries (LDCs) said that what was lacking is the political will to act, stressing that the 1.5 degree C goal is a “red-line” for the LDCs and the planet and called for a programme to urgently scale ambition up in this critical decade.

Bolivia speaking for the **Like-minded Developing Countries (LMDC)** said that “much of the impacts we are facing today are the effects mainly due to the historical and cumulative emissions of developed countries, who have till today, not rapidly reduced their emissions despite all their promises to do so, and not provided any significant support to developing countries, failing in reaching their commitments under the Convention,” adding that “The backdrop of the climate crisis is one of deepening climate injustice, since developed countries are attempting systematically to shift the burden to address climate change on to the developing countries and now to the private sector.”

Bolivia further said that “In this context, pre2030 ambition is intrinsically linked to the fulfillment of commitments on pre 2020 ambition in the context of responding to equity and common but differentiated responsibilities and respective capabilities (CBDR-RC). Developed countries have failed to achieve their commitments under the Convention, and this should be the background of the discussion of the pre 2030 ambition.”

“Additionally, ambition is related to all fronts of the fights against climate crisis, including mitigation, adaptation, loss and damage and means of implementation, in particular provision of finance and technology transfer.” On the ambition on reduction of emissions, it said that “despite the emissions reduction declarations and high ambition announced by developed countries at COP 26 last year, we note that some developed countries have backtracked in their actions in the name of addressing the recent challenges they face. Developed countries mitigation targets are not ambitious enough and

not sufficiently implemented. The developed countries have taken inadequate and unambitious goals to achieve net zero emissions by 2050, while they continue to emit, and disproportionately consume the global carbon budget. They should attain net zero well before 2050 at least by 2025 or maximum up to 2030.” “Developing countries on the other hand have made ambitious mitigation commitments and are taking proactive actions appropriate to their national circumstances and despite the lack of support provided by developed countries. However, developed countries have also continuously failed to deliver on their finance, technology, and capacity-building support commitments to developing countries under the UNFCCC, and have undermined global mitigation efforts as a result,” it added further.

Zambia for the African Group said that ambition must reflect the principle of CBDRRC and that there is need for just transitions for equitable access to sustainable finance, technology transfer and capacity building, adding that enhanced support for developing countries will enhance higher ambition. It also said that climate finance cannot cause more debt, adding that it wanted to see progress on loss and damage, as people are dying.

China said that ambition is not only a goal, but there is need for more implementation. “Goals that cannot be achieved are castles in the air. We advocate a comprehensive display of ambition with pragmatic goals, practical actions, tangible support, and real progress,” it added further. It said that in 2020, it updated its NDC to “reflect the maximum effort”. It said that non-fossil energy accounted for 16.6% of energy consumption, and the installed capacity of renewable energy power generation reached 1.12 billion kilowatts, accounting for more than 30% of the world's total installed capacity of renewable energy power generation and that it provided 50% of the world's wind power equipment and 80% of solar power generation. equipment

It also said that global climate governance is facing complex challenges and that “multilateralism and win-win cooperation are the only options to deal with climate change. Compared with developed countries, developing countries face multiple challenges such as

eradicating poverty, developing the economy, ensuring food, drinking water and energy security, and responding to climate change. Their capital, technology, and capabilities are significantly insufficient, and they face practical obstacles to achieving a green and low-carbon just transition. Only developed countries, based on their historical responsibilities and abundant capabilities, take the lead in achieving net zero emissions and net negative emissions, and earnestly implement their obligations to help developing countries fully resolve these obstacles, keep long-term temperature rise control targets within reach, and achieve sustainable development to become possible.”

It also called on Parties to strengthen cooperation under the principles and framework of the Convention, abandon any form of unilateral measures, avoid politicizing the climate issue.

India said it is the historical cumulative emissions before a given year that measures responsibility. “So our consideration must include pre-2020 responsibility and whether pre-2020 commitments have been fulfilled. It cannot begin at 2020. Our understanding is that the Annex-I Parties have not met their pre-2020 commitments together and several individually as well. But the real question, according to the best science, is the cumulative emissions until 2030. So pre- 2030 ambition must be measured in terms of whether countries are staying within their fair share of the carbon budget, taking note of both the historical period and in the future. By this scientific criterion some developed countries must reach net zero even before 2030 and 2050 is not enough at all. So this is where we must begin talking about opportunities for ambition,” it said further.

“Increasing ambition requires public action. Leaving it to markets alone will not help. Markets do not function well in normal times, but either do not function or function very inequitably in moments of crisis. We see this with the energy crisis in developed countries. For developing countries, public action includes public sources of climate finance and technology. These are essential”, said India. It also stressed that the right sectors must be identified for ambition. “To target small farmers for mitigation in the name of ambition would be a serious mistake. As in India,

if in developing countries, if we target domestic and public lighting, and increasing use of clean fuel to replace biomass, we can achieve some significant gains in low-carbon development”.

“Just transition in developing countries is simply about enabling of low-carbon development. It cannot be about an early start to decarbonization in any sector, though decarbonizing various sectors as and when feasible will arise sometime in the future. This will be detrimental to both the overriding priority of achieving the SDG goals by 2030 and subsequent development. Fossil fuels will continue to be part of a rational use of natural resources to protect energy security. Support for just transition means increased support for the deployment of renewables, increased support for the development of renewable technologies and means to cope with the costs of such development and the deployment of such technologies,” said India further.

Pakistan referring to the catastrophic floods it faced, said that it was speaking from experience of vulnerability to climate impacts and that it had seen the “heart break.” It said that Parties are not on target to limit warming to 1.5 degree C and that 53 degrees C is now summer normal in Pakistan. It called for concrete timelines in meeting the ambition gap including for new and additional financial resources required with scale and speed, adding that financial support must not sustain the debt crisis in developing countries.

Tuvalu said that “We cannot continue to watch climate leaders approve and finance new coal, oil and gas projects while the climate crisis is literally on the shores of Pacific nations”, adding that “more fossil fuel extraction means more destructive loss and damage experienced by island nations and other vulnerable communities around the world. So a COP that does not address fossil fuels directly will be a COP that is complicit in the devastation of my people” it said. It added that the country has issued a formal call at COP27 for nation-states to join Tuvalu and Vanuatu in developing a Fossil Fuel Non-Proliferation Treaty, based on the principles of justice and equity.”

Vanuatu also underscored that 1.5- degree C was a red line echoed the remarks of Tuvalu and called for a fossil fuel non-proliferation treaty.

Gabon highlighted how a small group of (developing) countries (through their forests) are absorbing carbon dioxide every year. It referred to efforts under 'Reducing Emissions from Deforestation and Degradation' (REDD-plus) and the for carbon credits from there, it is being told to go to the voluntary markets, and to move forward on just transition, it is told to go to the commercial sector. It said developing countries were showing more leadership, and for the ambition gap to be fixed by coming together.

The **Czech Republic** speaking for the **EU** said that it was "calling on nature to help us", referring to the meeting of the Convention on Biological Diversity next month. It also stressed the importance of just transition.

The **European Commission** said that while the EU faced challenges (referring to Russia on the energy crisis), there were claims that "we setting back on ambition" and that "nothing was further from the truth", adding that the EU will stick to its commitments and is "doubling down on them," adding that the EU is going to reduce energy consumption, and speed up transition to

renewables, while it was relying on the short term use of coal. On climate finance, it said that what is on the table is not enough and there is need to shift the billions to the trillions and for the right conditions needing to be in place for financial institutions, so that private investors could step in.

The **United Kingdom** said that there could be no backsliding from Paris and Glasgow, and that COP 27 cannot be a COP where we lose the 1.5 degree C goal. It called on those who have not revised their nationally determined contributions to do more; the need to phase down coal, for the mitigation work programme to enable more ambition and wanted to see progress to see progress on loss and damage.

The **United States** said that in Glasgow, Parties recognised the state of science and the urgency to accelerate action, adding that we cannot now go backwards. It said that NDCs were the currency of the Paris Agreement and there is need to strengthen the targets, adding that all tools needed to be used, including multilateral initiatives outside the UNFCCC.