

## The Stand-alone decisions from COP27

### *Mitigation and ambition; Adaptation and Loss and Damage, Finance, Article 6 and Transparency*

In the period 6 –18 November 2022, delegates from all over the world in representation of the Parties to the UNFCCC, the Kyoto Protocol and the Paris Agreement met for two weeks in Sharm el-Sheikh, Egypt, respectively under the Conference of the Parties under the Convention (COP27), the Kyoto Protocol (CMP17) and the Paris Agreement (CMA4), to address the climate crisis and the implementation of the climate regime.



Following the disappointing result of Glasgow 2021, the whole international community, and in particular developing countries, had high expectations on this summit. Those were twofold: as **'implementation' COP**, Parties were asked to complete the last rules under the Paris Agreement and start operationalizing the existing structure; and as **'African' COP**, Parties were invited to make up the negative results of COP26 for developing countries, in particular on issues related with adaptation and loss and damage and climate finance.



The final package adopted in Sharm is a set of decisions addressing several key points in the climate agenda, including mitigation and ambition, adaption and loss and damage, climate finance and the carbon market (Article 6). The Sharm el-Sheikh package is guided by two so-called cover decisions, named **Sharm el-Sheikh Implementation Plan** as per decisions [1/CP.27](#) and [1/CMA.4](#). The Sharm el-Sheikh Implementation Plan covers all matters addressed by the Parties in Egypt, including: Science and urgency; Enhancing ambition and implementation; Energy; Mitigation; Adaptation; Loss and damage; Early warning and systematic observation; Implementation – pathways to

just transition; Finance; Technology transfer and deployment; Capacity building; Transparency; Taking stock; Article 6 of the Paris Agreement; Ocean; Forest; and Enhancing implementation: action by non-Party stakeholders.

Out of this long list of topics considered, only a few were also the subject of a stand-alone decision either under COP, CMP or CMA, mainly due to the mandate those bodies were provided by previous decisions. The matters that resulted in a decision were, amongst others: **Mitigation and ambition; Adaptation and Loss and Damage, Finance, Article 6 and Transparency**.

On **Mitigation and ambition**, Parties in Sharm focused on the following three items:

- Work program on mitigation ambition and implementation

- Inputs to the first global stocktake and its technical dialogue (UN Climate Summit during New York climate week to generate momentum prior to COP28)
- Second periodic review of the long-term global goal under the Convention and of overall progress towards achieving it

During the discussions in Sharm, Parties were able to stress the urgency to generate more action on mitigation, the need to link the global stocktake of 2023 with the high-level ministerial roundtable on the ambition gap before 2030, the key role of non-party stakeholders, the operational details of the work programme and finally the need to include in the annual report of the work programme some recommendations about concrete actions to increase ambition. The majority of Parties also supported the idea the work programme to be a space to share experiences and knowledge on Nationally Determined Contribution (NDC) implementation to improve quality of future actions.

On **Adaptation and loss and damage**, the following items were considered:

- Glasgow–Sharm el-Sheikh work programme on the **global goal on adaptation (GGA)**
- Operationalization of the Santiago Network
- Matters related to agriculture and lands: four-year Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security
- Funding arrangements for responding to loss and damage associated with the adverse effects of climate change, including a focus on addressing loss and damage

On the GGA Parties still have divergent views on when, what metrics, and what funding should be linked to it. Also, on the GGA it is important to highlight the position expressed by several Least Developed Countries (LDCs) and Small Islands Developing States (SIDS) on the need to develop both qualitative and quantitative indicators to measure progress of achieving the GGA. They also requested the CMA to invite the Intergovernmental Panel on Climate Change (IPCC) to help in the development of methodological tools for assessing vulnerability and adaptation impacts.

However, in particular for LDCs and SIDS, the most important outcome of Sharm 2022 is decision -/CP.27 and -/CMA.4 Funding arrangements for responding to loss and damage associated with the adverse effects of climate change, including a focus on addressing loss and damage. Started in 2013 in Warsaw the debate about the finance for loss and damage finally culminated in a historical decision in Sharm for the setting up of a loss and damage fund. A Transitional Committee will be now in charge to design the rules and details of this agreement.

On **Finance**, main topics addressed were:

- Matters relating to the Standing Committee on Finance
- Review of the Adaptation Fund and report of the Adaptation Fund
- Long term finance
- Guidance to the Green Climate Fund
- Guidance to the Global Environment Facility
- New Collective Quantified Goal (NCQG)

Decision -/CMA.4 on the **new collective and quantified goal** (NCQG) reaffirmed that the ad hoc work program on the new collective quantified target aims to contribute to the acceleration of the achievement of Article 2 of the Paris Agreement, recognizing that this would significantly reduce the risks and impacts of climate change, could increase the capacity to adapt to the adverse effects of climate change, and promote climate resilience and low-carbon development in a manner that does not threaten food production. The NCQG decision does not recall the failure of the unfulfilled 100 billion dollars goals set up in Copenhagen in 2009. The Sharm decision recommends that in conducting the work program, the needs and priorities of developing countries should be taken into account and include, among other things, the characteristics of the target in terms of quantity, quality, scope and access, as well as the sources of financing. A work plan for the year 2023 will be published before next March, as well as the topics to be discussed. In addition, submissions on the topics to be addressed will be requested from Parties and Partner Organizations to enrich the discussions.

On **Article 6**, Parties were required to conclude the operationalisation of the Article 6 mechanisms and adopted the following decisions:

- Draft decision -/CMA.4, Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement:
  - Guidance was adopted on the tracking of Internationally Transferred Mitigation Outcomes (ITMOs); Article 6 technical expert review; the outline for the Article 6 technical expert review report; the training programme for technical experts participating in the Article 6 technical expert review; the outline for the initial report and updated initial report; the outline for information in relation to the Party's participation in cooperative approaches, as applicable to the biennial transparency (Regular information);
- Draft decision -/CMA.4, Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement:
  - Guidance was adopted on: the processes for implementing the transition of activities from the CDM to the 6.4 Mechanism; the processes for implementing the use of certified emission reductions towards first or first updated NDC for the 6.4 Mechanism; the processes for reporting by host Parties on their Article 6.4, activities and the Article 6.4, emission reductions issued for those activities; The processes for the operation of the mechanism registry; The processes for implementing the share of proceeds to cover administrative expenses and the share of proceeds to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation (SoP);
- Draft decision -/CMA.4, Matters relating to the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement:
  - The schedule for implementing the activities of the 6.8 work programme under the framework for non-market approaches for 2023–2024 and the schedule for implementing the activities for 2025–2026 and requests the Glasgow Committee on Non-market Approaches to continue implementing the work programme activities for 2023–2026 in two phases (2023–2024 and 2025–2026).

Despite substantial progress was achieved by the Parties in Sharm on the operationalisation of the

Article 6 mechanisms, further work is remaining on all three items for conclusion and adoption either in 2023 or 2024.

On **Transparency**, Parties under the CMA4 focused on the following two main elements:

- Reporting and review pursuant to Article 13 of the Paris Agreement
  - 5a) Provision of financial and technical support to developing country Parties for reporting and capacity-building: the SBI conclusions adopted on 12 November on this matter indicated that considerations will continue at SBI 58, taking into account Parties' submissions, with a view to facilitating the development of sustainable institutional capacity of developing countries, in particular LDCs and SIDS, pursuant to Paris Agreement Article 13 (transparency), and recommending a draft decision for consideration and adoption by CMA 5.
  - 5b) Options for conducting reviews on a voluntary basis of the information reported pursuant to chapter IV of the annex to decision 18/CMA.1, and respective training courses needed to facilitate these voluntary reviews: Decision -/CMA.4, Reviews on a voluntary basis of the information reported pursuant to decision 18/CMA.1

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