

*Nedan följer en sammanfattning av COP27.*

*Sammanfattningen är skriven av **Sandra Hanni**, Global Policy Lead – Climate, ICC.*

## COP27 | Business and Industry NGOs

# OUTCOMES AND KEY ACHIEVEMENTS

Dear Colleagues,

We would like to share with you some key insights from the last days of COP27 in Sharm and the main achievements of the “implementation and African COP”.

\* \* \*

## FINAL OUTCOME OF COP27

A year of diplomacy undertaken by the Egyptian Presidency, strenuous informal work over past months and two weeks of highly complex technical and political negotiations ended on Sunday 20 November in the red sea resort. The current geopolitical challenges made these climate negotiations certainly one of the most challenging in recent history.

After the announcement of the closing plenary for 3am and further postponements, the plenary session finally started at dawn. The gavel went down at 9:19am, with nearly 200 countries agreeing the [Sharm el-Sheikh Implementation Plan](#) that includes several decisions, inter alia, a historical outcome on the establishment of a loss and damage fund, a mitigation work programme, the Global Goal on Adaptation, further guidance on the operationalisation of Article 6 of the Paris Agreement on international carbon markets and the overarching “cover decisions” – the high-level political section of the COP.

The last days of COP27 featured continued detailed technical work, tough consultations and closed door negotiations – in particular on cover decisions and loss and damage funding arrangements – and saw little evident progress. COP27 President Sameh Shoukry acknowledged at a final “Stocktake Plenary” on Friday (the last officially scheduled day of COP27) that more time was required and urged parties to “shift gears again” to bring the meeting “to a close with a balanced, ambitious outcome.”

Negotiators worked hard throughout the night of Friday and the day of Saturday (with some having little to no sleep for close to four days) to build on emerging landing zones and bridging proposals and were eventually able to come to agreement. We understand that Parties had to make significant compromises on their starting positions, with some countries having to breach their “red lines” in order to reach consensus on the major political issues that had divided Parties throughout this COP.

While the Sharm el-Sheikh Implementation Plan shows some good progress towards the implementation of the Paris Agreement – in particular with regards to much needed support for vulnerable countries, the baseline of efforts achieved in Glasgow was barely protected. At the Closing Plenary COP27 Presidency Sameh Shoukry noted that the outcome “is both a delicate balance and a manifestation of the highest ambition that can be reached at this point”.

The most important elements of the agreed package can be found below.

Please also refer to [the final statement](#) that we delivered on behalf of Business and Industry at the Closing Plenary. The statement from ICC Secretary General John W.H. Denton AO can be found [here](#).

## Cover Decisions

Continued intense consultations on the overarching political messages took place during the second week. Following the beginning of official discussions on the cover discussion on Friday 11 November, the Presidency issued a non-paper trying to capture the “wish lists” submitted by Parties in bullet points format.

In a Heads of Delegations (HODs) Meeting on Tuesday, most countries expressed their dissatisfaction with the current list of elements, calling it unbalanced and urging for a clearer structure of the issues and focus on implementation.

While most developed countries made a strong call for the Glasgow package to be the baseline and the need for urgent, accelerated efforts to achieve 1.5°C, for three developing country groups, the Paris Agreement principle of equity and common but differentiated responsibilities (CBDR) were central.

Additional ideas such as ending the expansion of new fossil fuel production and phasing out, or phasing down, oil and gas extraction were mentioned by numerous countries. Others asked for the deletion of reference to any new mandates that may renegotiate or reinterpret the Paris Agreement; organisations and initiatives outside the UNFCCC (such as UN Biodiversity COP15); as well as multilateral development banks (MDBs); the private sector; nature-based solutions.

The COP27 Presidency made a new attempt and issued a 20-page long non-paper that was discussed in further rounds of consultations before then finally issuing a reduced draft text for negotiation on Friday morning. We understand that in HODs discussion on Friday evening, Parties still seemed uncomfortable with proposed text. Some called for major deletions that would cross other parties’ “red lines”, in particular with regards to the section on “energy” and any reference to fossil fuels phase down and phase out.

After intense efforts by Egypt, with support from the UN Secretary General and UNFCCC Executive Secretary, to find a common ground, the final cover decision text ([COP](#) and [CMA](#)) was agreed in the closing plenary on Sunday morning. Overall, the agreed text reaffirms agreement made in Glasgow, with countries' commitment to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levels and reusing language on phasing down coal.

## Matters on finance, including funding arrangements for Loss and Damage

Discussion on matters related to finance, particularly the new collective quantified goal (NCQG) were led by India and Australia and saw some progress during week 2 where Ministers noted in the Stocktake Plenary on Thursday that they had prepared text that could provide a structured approach to further the work of the ad hoc work programme for 2023 and enable a decision on the NCQG in 2024. Several decision texts on finance were adopted, including on [long-term finance](#) and the [NCQG](#). Please also refer to the sections on [finance and adaptation in the cover decision](#).

Following consultations conducted under the technical bodies during the first week, the sensitive agenda item on funding arrangements for loss and damage passed in the hands of Chilean Environment Minister Maisa Rojas and German Climate Envoy and Secretary of State Jennifer Morgan.

The question of whether to establish a new fund for loss and damage or scaling up and building on existing arrangements had proved to be one of the most divisive ones at this COP.

In a Stocktaking Plenary on Thursday, the European Union stated that it was ready to support the establishment of a fund for the “most vulnerable” countries, taking a bridge builder role between blocks of Parties. In the EU's view, the fund needs to be part of a “mosaic of solutions”, include funding countries that have the necessary resources to contribute and most importantly needs to be packed by a strong outcome on mitigation, to keep a clear focus on the 1.5 goal, as these are “two sides of the same coin”.

Several closed-door consultations and bilateral meetings took place in the following days, and several developed countries confirmed their support for the EU's proposal.

Parties finally adopted a [decision](#) during the closing Plenary to establish “new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change”, including the creation of a fund, in the context of establishing the new funding arrangements, for responding to loss and damage, whose mandate includes a focus on addressing loss and damage. A Transitional Committee was

also settled, to make recommendations on elements for the operationalisation of the new funding arrangements, to be considered and adopted at COP28 next year.

In the closing plenary many Parties and civil society groups referred to the decision as a turning point in the history of the UNFCCC process.

## Article 6

Negotiations on Article 6 (cooperative market and non-market approaches) continued during the second week with negotiators trying day and night to work through the huge volume of detailed, technical work required to set the rules for future market and non-market-based mechanisms.

On Friday evening, while negotiations on other matters continued to be extremely difficult, a rare sign of hope came out from the Article 6 room, when negotiators forwarded clean decisions across the three sub-items of Article 6 for adoption in the closing plenary.

Final decision texts covering three important issues under Article 6 – two mechanisms that enable the effective functioning on international carbon markets – Article 6.2 (to be published [here](#)) and [Article 6.4](#) – and a third one based on non-market approaches – Article 6.8 (to be published [here](#)) were adopted on Sunday morning.

Parties' intense work in Sharm has brought us closer to realising the immense potential of Article 6 to raise mitigation and adaptation ambition. While we welcome the progress made, it is essential that the detailed rules of 6.2 cooperation and the 6.4 mechanism both fulfil the Rulebook mandate for environmental integrity, transparency and provide a workable platform for Parties and businesses to use. We also see the agreement on Article 6.8 as an important step forward that has the potential to unlock opportunities for greater NDC ambition and related adaptation.

## Mitigation Work programme

On the mitigation work programme, Ministers from South Africa and Denmark took the lead on the work during the week. Despite efforts by the Ministers, we observed that Parties' views remained quite divergent. Further consultations then resulted in the identification of possible landing zones: reassurance regarding mitigation ambition and the nationally determined nature of NDCs; a time frame until 2030; and a proposal for three decisions throughout the period which fit within the Global Stocktake cycle.

The final decision text can be found [here](#).

## Global Goal on Adaptation

Adaptation was particularly high on the negotiation agenda during the two weeks of the Conference and was discussed under several agenda items, given the importance of this issue for developing countries, in particular for the African Group.

In the final decision texts (see Sharm el-Sheikh Implementation Plan; [Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation](#) and other decisions related to [adaptation and finance](#)), countries recognised the need to scale up efforts on adaptation, including adaptation financing – reaffirming the call made in Glasgow for finance from developed countries to be at least doubled in the coming years and recognising as well that Small Islands Development States and Least Developed Countries are particularly vulnerable to the adverse impacts of climate change.

## Agriculture

On agriculture, after continued discussion during week 2, Parties agreed to establish the four-year “[Sharm el-Sheikh Joint work on implementation of climate action on agriculture and food security](#)” that will allow Parties to move forward on this important issue and further enhance efforts for adaptation and mitigation. The first in-session workshops on agreed topics related to agriculture and food security are expected to take place at the Bonn Intersessional Meeting in June 2023. Parties and observers are invited to submit by 27 March 2023 their suggestions on different elements of the decision, including on topics for future workshops.

A heartfelt thank you to all those of you who actively participated and contributed to our work in the lead up to and during COP27. Special thanks also to the ICC team at HQ as well as the COP27 production team for their tireless efforts and support.

We are looking forward to seeing you again in Dubai.

Kind regards,  
Sandra