



COP27:

2022 United Nations Climate Change Conference

International Outcomes

The Sharm el-Sheikh Implementation Plan, COP27's final agreed-upon, can be found [here](#).

The most important outcome was the establishment of a Loss and Damage fund for recovering from unavoidable climate damage, though many details remain undetermined.



The United Nations

COP27, the 27th United Nations Climate Change conference wrapped up on Nov. 20th, 2022, in Sharm el-Sheikh, Egypt. It took place under the presidency of Egyptian Minister of Foreign Affairs Sameh Shoukry, and was expected to **focus on implementing goals** made at last year's COP26 in Glasgow, UK. There were over 35 000 delegates, from 190 countries, including 92 heads of state. The first part of this briefing note will cover high-level decisions and outcomes from the conference, and the last section will focus on Canada's commitments and the Canadian delegation. This COP meeting was not without controversy. Egypt, the host country, was [criticized](#) throughout the conference for its **treatment of political prisoners and suppression of civil society voices**. There were more than [600 fossil fuel lobbyists](#) – including many as part of the Canadian delegation – a rise of more than 25% from last year which attracted intense criticism from environmental groups and activists.

Loss and Damage Funding

Loss and damage ([Detailed Explainer](#)) refers to the impacts of climate change which are not or cannot be avoided by [adaptation](#) or [mitigation](#) efforts. Loss and damage can include both economic and non-economic losses, as well as both extreme weather events and **slow onset climatic processes**, like sea level rise or desertification. It is meant to support the countries that are not high-emitters – and so are not responsible for causing climate change – and yet are the most severely impacted by climate change. At last year's COP26, countries agreed to establish the **Glasgow Dialogue on Loss and Damage**, dedicated to 2 years of discussions on possible funding arrangements.



International Outcomes (Continued)



(Peter Dejong/The Associated Press)

Developing countries have been arguing for decades for a new institution or fund not just to avert (mitigation) or minimize (adaptation) loss and damage but also to **address** (recovery efforts) it. Developed nations have argued instead for strengthening existing mechanisms (such as the Green Climate Fund, Global Shield, InsuResilience, the UN Office for Disaster Risk Reduction, and the Santiago Network).

Developed countries were clear they will not accept being held **liable** for foreign climate damage nor pay **direct compensation** for their share of historical emissions.

COP27 Outcome: Countries adopted a final agreement that **establishes a loss and damage fund**, which Canada supported. The final text contains references to helping countries that are “particularly vulnerable,” which may affect certain countries’ access to funding, however these details will be negotiated over the coming years. It was agreed that a “transitional committee” will make recommendations for countries to adopt at the COP28 summit in 2023. The [recommendations](#) will include the challenging question of **which countries should pay** into the new loss and damage fund.

- There is concern around ensuring that current high emitter China contributes to the fund and does not benefit from it.
- Progress was made on creating a secretariat and advisory board to operationalize the **Santiago Network** for technical assistance on loss and damage
- Germany, with the G7 and the V20 group of climate vulnerable nations, launched the controversial **Global Shield Initiative**, an insurance mechanism for deploying finance more quickly after a climate disaster than a loss and damage fund could.



International Outcomes (Continued)

Climate Finance

Climate finance refers to local, national or transnational financing— drawn from public, private and alternative sources of financing— that seeks to support mitigation and adaptation actions that will address climate change. In 2009, wealthy nations committed to provide a collective **\$100 billion** in climate finance to vulnerable countries every year from 2020-2025. Canada and Germany have been tasked with [reporting on](#) global climate financing to date.

By 2020, the most recent year for which there is [complete data](#), only **USD83.3 billion per year had been mobilized**, of which USD48.6 billion (58%) was for mitigation and USD28.6 billion (34%) was for adaptation. Adaptation costs are expected to grow to an annual USD 160-340bn by 2030. **Adaptation was meant to be the focus of COP27, but the outcomes do not reflect this.**

COP27 Outcome: There was no major outcome on setting a more ambitious finance goal for after 2025. At COP27, countries held the 4th of 12 technical expert dialogues to discuss the scale, sources and definition of climate finance. Canada supported leaving “climate finance” undefined, which allows donor countries to interpret it how they prefer.

Global Goal on Adaptation: Countries agreed to develop a framework for **practical discussions on the adaptation goals**, including methodologies for tracking progress. It will take into account countries’ vulnerability and capacity to cope; consider a range of themes including poverty, water, food and agriculture; and use science-based indicators, metrics and targets.

A new **Global Agenda on Adaptation** – a 30 item “to-do list” to improve resiliency against climate-related risks – was established in week 1 of COP27.





International Outcomes (Continued)

Multilateral Development Bank Reform:

Countries agreed to call on shareholders to reform practices and priorities to scale up funding to adequately address the climate emergency.

Earlier this year, Barbados Prime Minister Mia Mottley began building a coalition, including France, UK and the EU, supporting the **Bridgetown Agenda** - an [ambitious set of reforms](#) to overhaul the financial system and unlock significant climate financing. Among other steps, it includes a climate mitigation trust to release **\$650bn** from the International Monetary Fund through “**Special Drawing Rights**”, which allow members to borrow from each other’s reserves at very low interest rates.



“We were the ones whose blood, sweat and tears financed the industrial revolution. Are we now to face double jeopardy by having to pay the cost as a result of those greenhouse gases from the industrial revolution?” Mia Mottley, prime minister of Barbados, urges action on climate finance (Peter Dejong/AP Photo)

COP27 Outcome: The Bridgetown Agenda was *not* included in the final text of COP27. Discussions will continue at the spring meetings of the IMF and World Bank.

Mitigation

Ambition: Last year’s Glasgow COP26 agreed to phase down unabated coal power, phase-out inefficient fossil fuel *subsidies*; strengthened the ambition on limiting global temperature increases to “1.5°C”, from the previous “well-below 2°C”; and requested countries strengthen their 2030 targets by the end of 2023 (only 34 countries, representing 20% of global emissions have done so). **This year’s COP27 repeats the same ambition as last year, neither strengthening it nor weakening it.**

India had called for **expanding the coal phasedown to all fossil fuels**, including oil and gas, which eventually gained the support of the EU, US and Small Island states. Canada initially opposed including all fossil fuels, though would later support these calls. The final COP27 statement did not include an agreement to expand the fossil fuel phasedown to oil and gas.

- **Canada fought to keep COP27 from giving up on the Glasgow commitment to 1.5°C entirely and rolling back to “well-below 2°C.”**



International Outcomes (Continued)



“There is no climate security for the world without a protected Amazon” says Luiz Inácio Lula da Silva, president-elect of Brazil.

Article 6: Article 6 of the Paris Agreement established **three carbon market mechanisms for international voluntary cooperation** on emissions reduction targets.

COP27 Outcome: At COP27, parties agreed on a significant amount of guidance to operationalise Article 6, though trading is unlikely to begin before 2024. Environmental organizations worry that the decisions will allow high levels of secrecy.

Mitigation Work Programme: One of the most contentious issues was the [Mitigation work programme](#) to decide how countries would collaborate on “urgently scaling up mitigation ambition and implementation” to keep Glasgow’s 1.5°C goal alive. There was strong disagreement over its scope, principles, timelines, connection to formal COP processes, and especially the role of high-emitting developing countries.

COP27 Outcome: The work programme will run until at least 2026. It will involve at least two global dialogues per year to exchange views, info and ideas; host investment-focused events to unlock finance; involve UN’s high-level champions to engage the outside world; and report on its key findings for consideration at each COP. Several parties, including the EU and Australia expressed **worry that this outcome will not be sufficient to meet 1.5°C**. Nonetheless, it *may* facilitate better dialogue on mitigation, via less adversarial negotiations.

Limitations:

- It is explicitly “**non-prescriptive**” and “**non-punitive**,” and will not check the progress of parties in meeting their goals nor set any new targets, despite the Glasgow commitment to regularly renew emissions targets.
- It will have a loose scope focused only on **broad themes** as opposed to detailed sectors and subsectors.
- It will keep focus on **developed countries**, as opposed to “major emitters” which would include high-emitting *developing* countries.



International Outcomes (Continued)

Other

Global Stocktake: The Paris Agreement calls for global stocktakes **every 5 years** to evaluate collective climate progress, national climate actions and the climate finance provided by developed countries. COP27 was part of the **18-month technical phase of the first global stocktake**, and will be followed by a political phase in 2023 to inform the next round of national climate plans in 2024-2025.

Koronivia Joint Work for Agriculture: First launched in 2017, Koronivia is the only UN forum for workshops, expert meetings and discussions on the **intersection of agriculture and climate change**. At COP27, Koronivia was extended 4 more years, but efforts to expand its scope to include whole of food systems perspectives failed.

Biodiversity Loss: COP27 strengthened language on both the urgency and the interrelatedness of “the interlinked global crises of climate change and biodiversity loss.”

Focus on Canada



Canada sent the 5th largest delegation, with about 375 members, including 3 senators: Rosa Galvez, Patricia Bovey, and Mary Coyle. Led by the Minister of Environment and Climate Change, Steven Guilbeault, the delegation had representation from a wide range of stakeholders, including parliamentarians, government, Indigenous governments and organizations, youth, labour, business, and civil society.

- Canada announced [cooperation](#) with the US, EU, Japan, Norway, Singapore and the UK on **reducing methane emissions** from oil and gas. The Canadian government published a

framework for consultations & regulations to cap and cut methane from oil and gas by 75% from 2012 levels by 2030. Canada also joined the International Methane Emissions Observatory to monitor and share methane emissions data gathered by satellites and will introduce funding to clean up orphan wells.



Focus on Canada (Continued)

- In 2021, Canada committed \$5.3 billion over 5 years for international climate finance, of which 40% is to support adaptation in developing countries. At COP27, Canada directed \$84.25 million of that commitment for **practical initiatives** for those most vulnerable to climate change.
 - This includes funding for operationalizing [loss and damage](#) efforts, including \$1.25 million for the **Santiago Network** for loss and damage technical assistance, and \$7 million for the G7/V20's (Vulnerable Twenty) **Global Shield Insurance**.
 - \$5 million to support [developing countries'](#) capacity to secure public and private finance for mitigation and adaptation investments, and \$5 million to build the **institutional capacity** of developing countries to transparently implement their Nationally Determined Contributions.
 - \$10 million for the Food and Agriculture Organization to promote [climate-smart agriculture](#) and agriculture biodiversity practices, \$10 million to support the [CREWS](#) weather-related disaster early warning systems, and \$4 million to support 4 Caribbean Small Island Developing states reduce their [methane emissions](#).
- Last year, Prime Minister Trudeau issued a challenge for the world to triple **global coverage of carbon pricing** from 23% to 60% of global emissions by 2030. At COP27, Canada and Chile announced the [Global Carbon Pricing Challenge](#). Participants in the challenge will meet annually to monitor progress, share best practices, report actions and welcome new participants. Canada also committed \$16 million to the **World Bank's Partnership for Market Implementation** to support countries to develop carbon pricing mechanisms.



Canadian Senators meet with Baroness Bryony Worthington, co-founder and co-chair of Peers for the Planet, the UK House of Lords' climate and biodiversity group. (From left to right: Senator Patricia Bovey, Baroness Bryony Worthington, Senator Mary Coyle, and Senator Rosa Galvez)



Focus on Canada (Continued)



Minister of Environment and Climate Change Steven Guilbeault at COP27 (Ahmad Gharabli/AFB via Getty Images)

- [Indigenous activists](#) welcomed the Loss and Damage fund and hope it will be used to support Indigenous People. However, they expressed concern that references to the **rights of Indigenous Peoples** were removed from sections of the COP27 text, leaving only an acknowledgement in the preamble. They also critiqued the “false solutions” that do not reduce emissions at the source, such as Article 6 carbon markets.

- At the G20 Summit, which ran at the same time as COP27, Canada signed on to the [Just Energy Transition Partnership](#) to support **Indonesia** - the world’s third largest producer

of coal - in reducing its reliance on coal and increasing its renewable energy. JETP will [mobilize \\$10 billion from partner countries](#) and \$10 billion in private finance from the Glasgow Financial Alliance for Net Zero (GFANZ).

- Canada [announced](#) \$750 million for Development Finance Institute Canada (FinDev Canada) to support sustainable infrastructure in the Indo-Pacific Region.
- Minister Guilbeault held bilateral meetings with his counterparts from other countries and organizations to discuss the intersection of climate change and **biodiversity loss**, in advance of **COP15** (the 15th UN Conference on Biological Diversity) to be held in Montreal in December.
- Catherine McKenna, Canada’s former Minister of Environment and Climate Change, chairs the UN’s High-Level Expert Group (HLEG) which published a [report](#) during COP27 outlining what a **credible plan to achieve net-zero** greenhouse gas emissions should look like, including 10 recommendations. The report brings attention to **corporate greenwashing** and outlines best practices for net-zero commitments.

