What Happened At COP28?
A BRIEFING BY THE CSE COP28 TEAM

THURSDAY,
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ON ZOOM

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Overview

• Loss and Damage Fund operationalization and pledges of $ 655.9 - optimistic start

• First Global Stocktake: Final fight came down to equitable energy transition i.e., differentiated timelines and funding

• Finance was a big header since Bonn, continued at COP

• Developed countries efforts to single out coal (over oil and gas) notable. On a positive note, the global community finally addressed fossil fuel phase out question

• Issue of debt, quality of finance for climate action been spotlighted throughout conference

• Voluntary carbon markets escaped formal discussion; Article 6.4 delayed to next year (not a good sign for question of ‘integrity’ of carbon markets)
There is clear language on fossil fuels and their role in achieving 1.5°C.

Equity is acknowledged in the preambular text.

Notes the importance of “climate justice”, when taking action to address climate change”, improvement over Paris Agreement which noted “importance for some”

Paragraph 69 speaks to the need for more concessional, grant based non-debt finance.

Acknowledging that adaptation needs of developing countries are growing.

However, there is an imbalanced focus on coal, no mention of oil and natural gas.

Natural gas alluded to as transitional fuel presents a potential loophole for countries.

No clarity on how to operationalize equity in the transition away from fossil fuels. There is no differentiated timeline to fossil fuel phaseout, and no specifics on who gets to use it in the short and medium term, and who must transition first.

Language specifying obligation of developed countries to bridge finance gap removed and differentiation of countries unclear.
Mitigation Work Programme

Avantika Goswami

- Two Global Dialogues and Investment Focused Events conducted this year
- Limited progress at COP 28
- Final text acknowledges various procedural items and stays clear of substantive discussions, which was the mood of the MWP at this COP. Two factors likely drove this: 1) unwillingness to prejudge the GST, and 2) mistrust among Parties regarding who will bear the mitigation burden and how
- Final text invites submissions to discuss topics to be discussed at further Global Dialogues; some supplementary discussions may be hosted at the regional climate weeks to capture geographic nuances
- Geopolitical undercurrents underpinning MWP are very real and must be recognized. The MWP was put forth by the US at COP26 to enhance mitigation ambition in NDCs - hard to say if it was in good faith
- Developing countries have always felt climate talks focus too much on mitigation and the Paris Agreement ensured that the 'differentiated' burden sharing was all but erased. Hence, they repeat that MWP must be non-prescriptive, non-punitive, and add no new sectoral targets
- The GST backroom scenes showed that asking for 'differentiation & finance' on things like fossil fuel phaseout leads to developing countries being branded as 'blockers' of ambition. That doesn't help build trust; the Co-Chairs have their work cut out for 2024 to tackle this issue
• **No agreement** on market-based approaches (Article 6.2 and Article 6.4).
• Opinions varied on ‘confidential information’, ‘revocation of authorization, supervisory body recommendation on removals and other such matters.

• **Two sides** to the failure:
  • A half-baked set of rules risk repeating past mistakes: Important to get things right then to get things done in haste.
  • Another year of uncertainty in markets, another year of voluntary carbon markets filling the vacuum in absence of a rule-based carbon market, another year of bilateral deals that avoid international scrutiny.

• **Article 6.8** agreement successful but lacks depth, pursued procedural elements
Climate Finance
Sehr Raheja

- New Collective Quantified Goal (NCQG) on climate finance to be decided at COP29
- 8th Technical Expert Dialogue (TED) held in Dubai. Took stock of work in 2023 and discussions on way forward
- Final decision text at COP28 focused only on procedural elements. Need to shift to negotiation mode in 2024 agreed upon
- At least 3 more TEDs, meetings to be held next year. Additional political engagement apart from ministerial dialogues expected
- Substantive elements discussion limited
Financial Systems Transformation

**Sehr Raheja**

- UAE Leader’s Declaration on Global Climate Finance Framework
- Issues of debt, high cost of capital, role of international financial institutions in context of climate action spotlighted across conference
- Kenya, Colombia, France announced Global Expert Review on Debt, Nature and Climate
- International taxation taskforce launched by France, partners including Kenya, Barbados and Spain
- Multilateral Development Banks announced taskforce for scaling up ‘debt-for-nature’ swaps; announcements on climate resilient debt clauses also made
- COP28 Presidency UAE launched ‘Alterra’ $ 30 bn green investment fund
- Need to scale up ‘non-debt instruments’ for climate ambition in developing countries included in GST text
Loss and Damage
Akshit Sangomla

- Loss and Damage Fund got operationalised on the very first day. COP 28 presidency thought this would provide momentum for rest of the conference.
- $655.9 million USD committed to the fund in the first few days.
- This is a good start, but more capitalisation is required to meet the growing needs of countries to address loss and damage from extreme weather events and slow onset events which run into trillions of dollars.
- Periodic replenishment of the fund is not in the adopted text and this needs to be addressed.
- Next steps of setting up of the board and interim secretariat has to be carried out to make the fund operational and accessible to affected communities in developing countries.
- World Bank role remains a worry because of its history.
Global Goal on Adaptation

Akshit Sangomla

- The adopted GGA text has hits and misses.
- The major misses are the absence of equity, CBDR and financial target.
- Weak language on finance in general. Seeking to close the adaptation finance gap instead of a commitment.
- Thematic targets have a timeframe of 2030 which was not there earlier.
- Language around indigenous and traditional knowledge added.
- Paragraph on transformational adaptation added, the definition of which remains unclear.
- Two-year work programme on deciding metrics and indicators for measuring progress of achieving GGA thematic and dimensional targets.
- Without clear provision of MOI from developed to developing countries achieving targets would remain challenging.
Updates on cities and mobility

Anumita Roychowdhury
Focus has increased many folds on decarbonisation of power, industry (hard to abate sectors) and energy systems

A number of multilateral and bilateral declarations at COP 28 around Energy & Industry

Under Global Decarbonization Accelerator - Pledge for tripling of RE, Doubling of Energy Efficiency by 2030 - 118 countries signed pledge - also added to the final text

Pledge to triple nuclear energy by 2050 - more than 20 countries signed - nuclear mentioned in final text

Launch of Oil and Gas Decarbonization Charter - 50 oil & gas companies signed - not accounting scope 3 emissions - 80 - 95% emissions ignored

Under Global Decarbonization Accelerator, Industrial Transition Accelerator was launched for heavy emitting industry - launched by COP Presidency, UNCC & Bloomberg Philanthropies - 30 million pledged

Industrial Decarbonisation

Parth Kumar
Industrial Decarbonisation

Parth Kumar

- **Launch of the Climate club** - 1st December - Led by Germany and Chile - Focus on industrial decarbonization - 2 initiatives - Global Matchmaking & Partnership for Net Zero - 23 million by Germany

- **India Sweden Industry Transition Partnership** under Leadership Group for Industry Transition (LEADIT)2.0 - on Steel & Cement - Dalmia and SaltX already partnering

- **Declaration of Intent - Hydrogen** - Mutual Recognition of low carbon Hydrogen certificate schemes - 39 countries signed

- The **Global Procurement Pledge** was launched as part of Industrial Deep Decarbonization Initiative by UNIDO to create demand for near and zero emission steel and cement

- "Phasedown of unabated coal power", "Low carbon fuels", "Low emission technologies", "abatement technologies" and "Transitional fuels" mentioned in final text - none of it is affordable in developing countries. A lot of ground work still required for tech like CCUS & green H2.
Thank you

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