



Understanding COP28: Key Outcomes and Perspectives

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December 18, 2023

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Part 1: Context

- Putting COP28 in the context of prior COPs and global political landscape
- Key tasks of COP28 as per UNFCCC
- Aims and strategy of UAE Presidency
- Side deals
- Participation
- Spirit of the negotiations

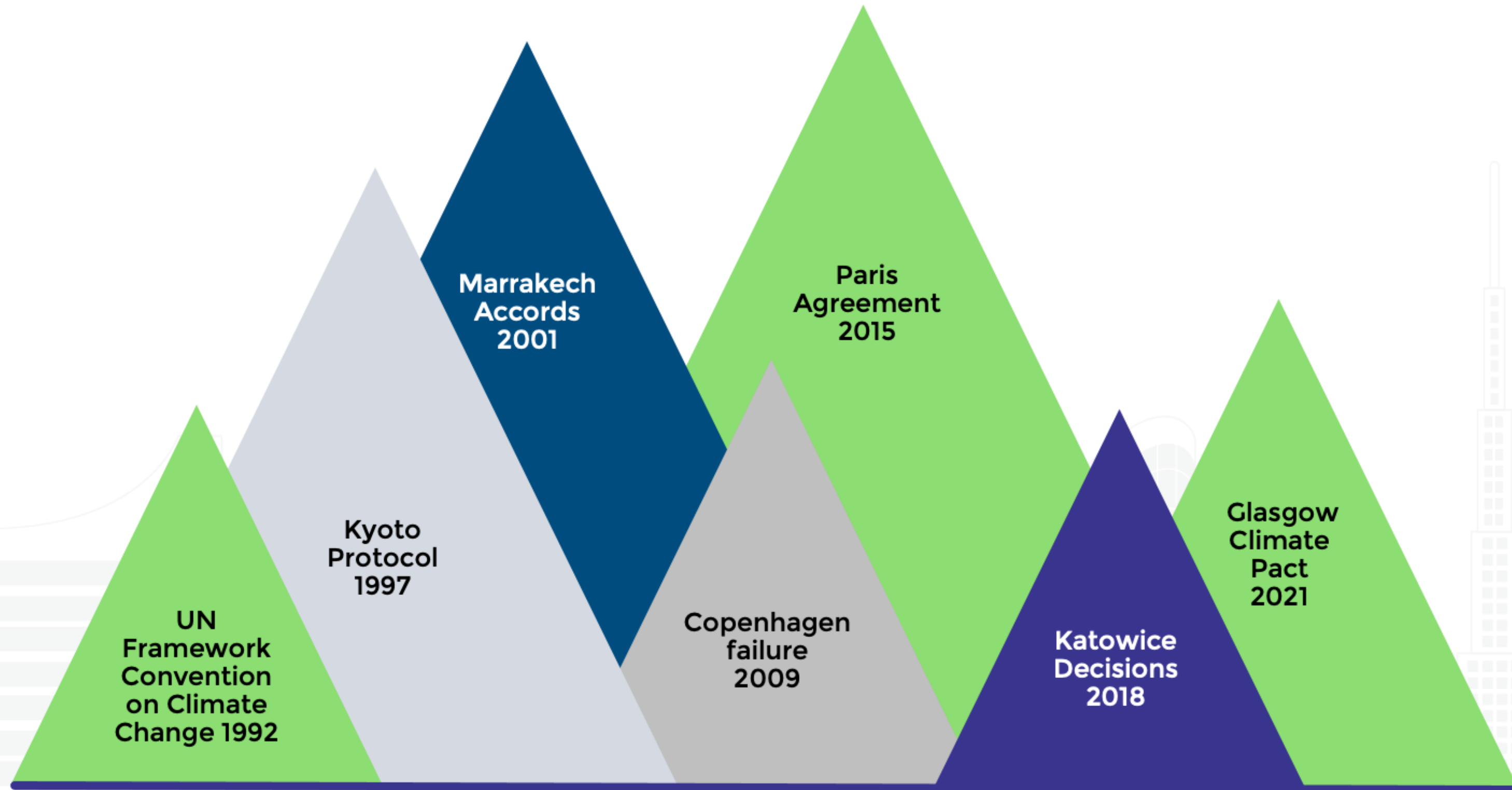
Part 2: Negotiations outcomes

- Global Stocktake
- Loss and Damage Fund
- Article 2.1c and New Collective Quantitative Goal for climate finance
- Global Goal on Adaptation
- Just Transition
- Mitigation Work Programme
- Article 6

Part 3: Conclusions and the way forward

- Overall assessment of COP28
- Topics and hosts of upcoming COPs

Key international climate policy milestones



Where did we leave off after COP27?

Decision for funding of **Loss and Damage**, with operationalization of a **dedicated fund** latest at COP28
(Decisions 2/CP.27/and 2/CMA.4).

New work programme focusing on **just transition**
(Decisions 1/CP.27 and 1/CMA.4)

Mitigation work programme launched to **address significant gaps** in aligning Nationally Determined Contributions (NDCs) with Paris Agreement goals.
Only 34 parties submitted new or updated NDCs after COP 26 and 11 communicated a long-term low carbon development strategy.
(Decision 4/CMA.4)

“Accelerating efforts towards the **phasedown** of unabated coal power and phase-out of **inefficient** fossil fuel subsidies”
(Decisions 1/CP.27 and 1/CMA.4)

Renewed discussions emphasizing the need to **reform financial systems and increase funding**, highlighting the necessity for \$4-6 trillion annually for a global shift to a low-carbon economy.

COP28 had a full table of deferred items to deal with...

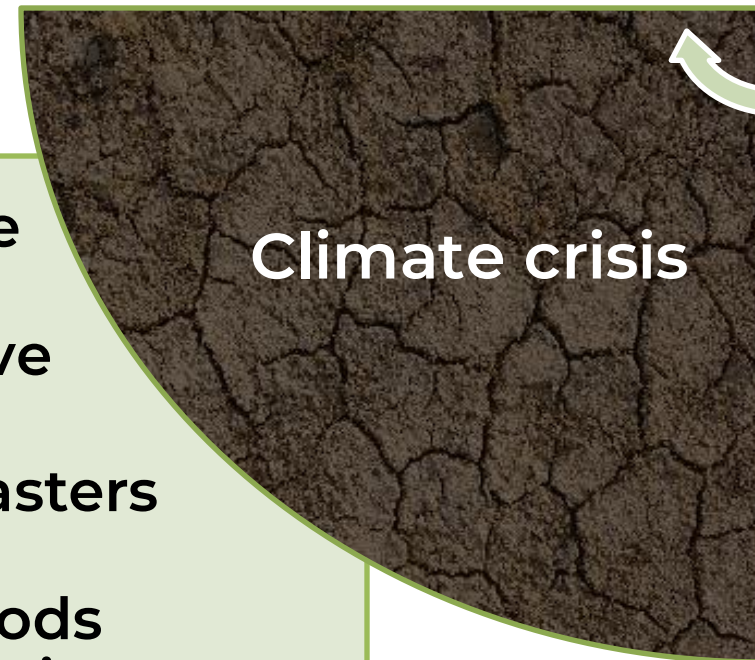
- Public attention diverted away from climate crisis by job losses and general economic woes
- Public debt crisis in many developing countries



Geopolitical crises

- Russia's invasion into Ukraine, most significant military conflict in Europe since World War II
- In the Middle East, Israel-Hamas war has increased regional instability
- Uneasiness in East Asia fuelled by China's assertiveness

- 2023 is on track to become the hottest year on record, 1.5°C above preindustrial, 0.1°C above 2016
- Devasting climate-related disasters throughout the year: record wildfires in Canada, deadly floods in Libya, billion-dollar disasters in United States...



Energy crisis

- Revival of fossil fuels due to energy crisis, massive windfall profits for oil/gas companies
- Diversion of public budgets for blanket energy / fossil fuel subsidies
- Increase of renewables for energy independence (long-term)?

BRICS - Johannesburg, 08/2023

- Unanimous decision to expand by inviting **Argentina, Egypt, Ethiopia, Iran, Saudi Arabia**, and the **UAE** as full members starting 1 January 2024.
- Summit emphasized a commitment to **sustainable growth, with a focus on green investments** in key sectors.

Africa Climate Summit – Nairobi, 09/2023

- The summit spotlighted renewable energy, highlighted Africa's aim to be a forefront in climate action and clean energy export and culminated in the signing of the **Nairobi Declaration** for a global carbon tax on fossil fuels.
- Strong focus on **carbon markets**

G20 Summit - India, 09/2023

- Leaders acknowledged the financial challenges faced by developing nations in the climate crisis, estimating a need for **\$34 trillion by 2030**, and committed to support a tripling of renewable energy capacity.
- Despite these advancements, the G20 showed hesitancy in committing to a complete **phase-out of fossil fuels**.

Pre-COP meeting – UAE, 10/2023

- 70 ministers and delegates from more than 100 countries convened to deliberate on forthcoming COP28 negotiations.
- The COP28 president was positive about resolving major issues and stressed the importance of developed nations being transparent about **meeting the \$100 billion climate finance goal**.

US-China declaration on climate cooperation, 11/2023

- Target to **triple global renewable energy capacity by 2030**, with a key focus on substantial emission reductions in the power sector, including a comprehensive approach to all greenhouse gases, notably **methane**.
- **Key role of similar agreements in the past to unlock international progress** (Paris, Glasgow).

- **Global Stocktake (GST)** – First assessment of the collective progress towards achieving the goals of the Paris Agreement in the run-up to NDC updates due in 2025.
- **Loss and Damage (L&D) Fund** – operationalization of the fund, with countries making commitments to provide funding.
- **Global Goal on Adaptation (GGA)** – adoption of an ambitious and robust GGA framework.
- **Mitigation Work Programme** – identification of opportunities to increase mitigation ambition in line with the 1.5°C goal of the PA, as well as actionable solutions to help parties implement this increased ambition.
- **Just transition** – agreement on a work programme and its scope.
- **Article 6** – further operationalize both Art 6.2 and 6.4, and non-market-based mechanisms.
- **Climate finance** – advancement of negotiations on the New Collective Quantitative Goal (NCQG) for international climate finance post-2025, with a deadline at COP29 in 2024.

Aims and strategy of UAE presidency (1/2)

- UAE COP28 presidency aimed at four paradigm shifts:

1. Accelerating the energy transition and curbing emissions **before 2030**.
2. Revolutionizing climate finance by not only fulfilling existing commitments but also laying the groundwork for a **new finance paradigm**.
3. Placing **nature, people, and their livelihoods** at the forefront of climate action.
4. Striving to make this COP the **most inclusive yet**, engaging a wide range of stakeholders.

- The Global Stocktake was presidency's **highest priority**:

- The UAE aimed to operationalize it through a three-tiered approach involving a **negotiated outcome, the promotion of an action agenda (“side deals”) and a call to action** to Parties to the Convention.

Aims and strategy of UAE presidency (2/2)

- **Ambitious renewable energy agenda:**
 - **Global tripling of renewables capacity to 11,000 GW** and doubling the rate of increase of energy efficiency by 2030;
 - **Doubling global hydrogen production to 180 million t** per year by 2030 and promoting global hydrogen trade.
- However, it was unclear how presidency was going to engage in discussions surrounding **fossil fuels phase out:**
 - **Strong criticisms** early this year with the appointment of Dr. Sultan Al Jaber as the president of COP28, since he is also the **Group CEO of the Abu Dhabi National Oil Company (ADNOC)** - one of the world's largest oil and gas companies. This is particularly relevant since ADNOC has also recently announced plans to **expand its oil production significantly in the coming years**, which would be inconsistent with any of the UNFCCC targets.
- UAE creates **USD 30 bn for-profit climate-focused investment fund, ALTERRA**, aiming at mobilizing USD 83 bn
 - Buying shares in green companies and divest once share prices have risen. USD 5 bn is earmarked for investment in developing countries.
 - Investment in companies with a credible "transition narrative"?

Climate Finance

- 13 countries endorse COP 28 UAE declaration on a **Global Climate Finance Framework**
- 65 national governments joined the **Coalition for High Ambition Multilevel Partnership (CHAMP)**

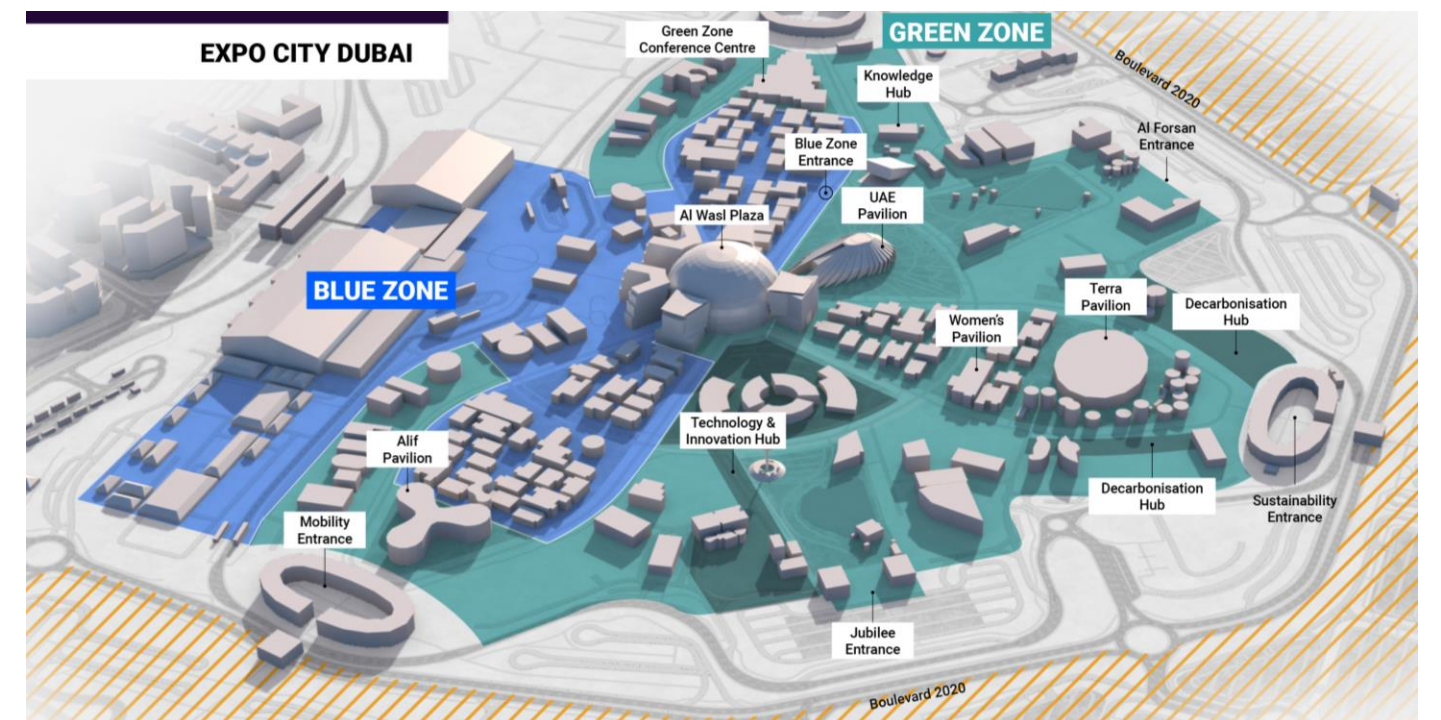
Just energy transition

- 130 + countries (incl. EU and US) support the **Global Renewables and Energy Efficiency Pledge**, to triple renewable energy and double the rate of energy efficiency improvement by 2030
- 66 national government signatories committed to the **Global Cooling Pledge for COP 28**
- 37 national governments agree on the **Mutual Recognition of Certification Schemes for Renewable and Low-Carbon Hydrogen and Hydrogen Derivatives**
- 52 signatories commit to net-zero operations of the **Oil and Gas Decarbonization Charter** by 2050
- Endorsed by 22 national governments the **Declaration to Triple Nuclear Energy** has the goal of tripling nuclear energy capacity globally by 2050
- The **Industrial Transition Accelerator**, endorsed by 35 companies, catalyses decarbonization in energy, industry, and transportation

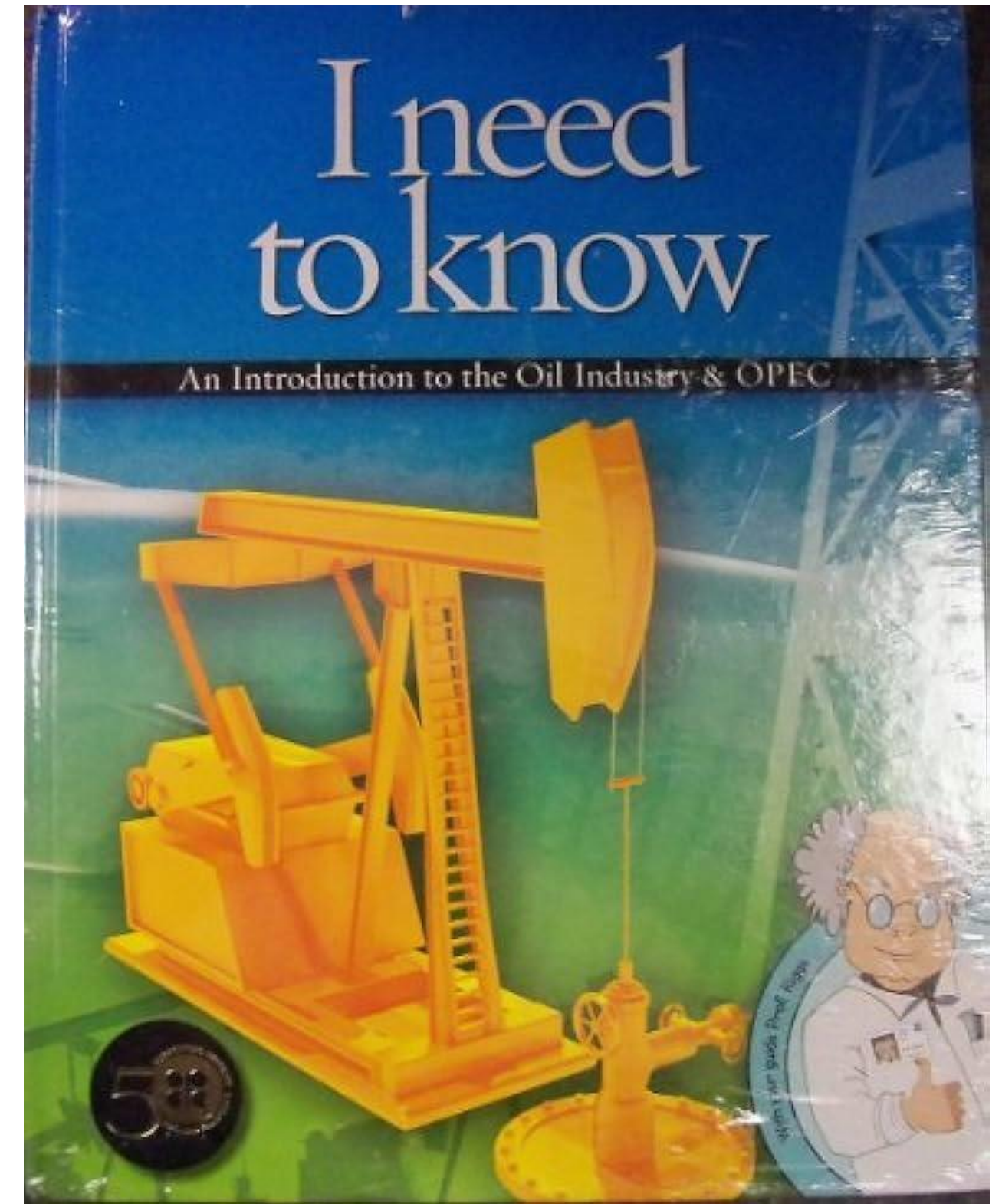
Agriculture and Food

- 153 countries (incl. Brazil, China, EU, US) sign the **Emirates Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action**

- **Largest COP site ever:** World Expo 2020 (1/3 Blue Zone, 2/3 Green Zone); **4.4 km²**
- **“Expoization”** of COP: **225 pavilions**
 - 102 countries
- A **record high of over 100,000 participants**, double previous record
 - 25,000 government delegates
 - 28,000 “party overflow” (!)
 - Only ~15,000 from observer organizations
 - New category of “Host country” guests: 5000
- After initial hiccups, **logistics functioned flawlessly** from middle of first week
- But: **challenge to bring people to side events**
 - Side event attendance among the worst of all COPs I attended



- Leaked COP presidency notes show how the **UAE planned to use its role to strike fossil fuel business deals** with 15 nations
- OPEC sent a **letter urging its members and allies to reject any mention of fossil fuels in the GST text**
- **Several thousand fossil fuel representatives on site**
 - France brought TotalEnergies as part of its country delegation; Italy brought a team of ENI representatives; & the EU brought BP, ENI and ExxonMobil employees.



- **Sprawling COP site made interactions difficult**
 - Impossibility of “impromptu meetings” at a central site
- Initially **big problems in assuring observer participation in negotiation sessions**
 - Complicated ticket system for observer constituencies
- **Low level of trust** between delegates
 - Sharp exchanges in a number of negotiation rooms but no walkout
- **Balmy weather was a big plus**
 - But: Still air conditioning was used cooling down buildings in an unnecessary way
- **NGOs could express themselves and protest on site**
 - Earlier fears of suppression of freedom of speech were unfounded



Starting point after COP27 and SB58

- **Technical assessment process** – second phase of GST finalised with **third and final meeting of technical dialogue**
- **Third meeting summary report** (released August 2023) and **factual synthesis report** of GST (published September 2023)
- **Draft structure of CMA5 decision** on GST informal note by co-chairs. Parties' views noted and agreed to accelerate work on consideration of outputs.

Key bones of contention

- **All critical issues converged** in the GST negotiations!
- Fight **developed-developing countries** on
 - **action vs. finance**
 - **historical vs. forward looking responsibility, “use of remaining carbon budget”; “course correction”**
- Continuous push against **fossil fuel phaseout** by fossil fuel-using and exporting nations
- How to **reference IPCC reports** – pick and choose by Parties
- **Reference to human rights**, indigenous rights & knowledge and gender equality?
 - First revision of text had nice landing zones
 - Second revision of text was very much favouring **“laggards”**

COP28 outcome

- **Good on defining the gap towards 1.5°C target**
 - “limiting global warming to 1.5 °C with **no or limited overshoot** requires deep, rapid and sustained reductions in **global greenhouse gas emissions of 43% by 2030** and **60% by 2035** relative to the 2019 level and reaching **net zero carbon dioxide emissions by 2050**”
- **Weak language around the key global actions: “Calls on Parties to contribute to” the following in “nationally determined manner”, “accelerating efforts...”**
 - towards the **phase-down** (i.e. not phase-out) of **unabated coal power** (same language as at COP27)
 - **globally** towards **net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century**
 - **transitioning away from fossil fuels in energy systems** in a just, orderly and equitable manner accelerating action in this critical decade, so as **to achieve net zero by 2050 in keeping with the science**
 - **Tripling renewables and doubling energy efficiency improvement rate by 2030**
- **Recognizes “transitional fuels”** (i.e. gas) in facilitating the energy transition
- **Fails to provide impetus for further action** & no strong direction for Parties to have 1.5°-aligned NDCs
 - “measures taken to combat climate change, including **unilateral ones**, should not constitute a means of **arbitrary or unjustifiable discrimination** or a **disguised restriction on international trade**” (UNFCCC language)
- **Stresses links to biodiversity, resilient food systems, oceans, mountains**

Starting point after COP27 and SB58

- Transitional Committee deliberations throughout 2023 to make recommendations to COP 28/CMA5 on the best design for the Fund
- Until the fifth meeting in Nov. 2023, called by the COP 28 Presidency, discussions were particularly contentious.
 - Eventually agreed on a **compromise** draft recommendation text forwarded to COP

Key bones of contention

- **Governance:** 'standalone fund' vs 'hosted within an existing fund or body'
- **Contributor base and sources of input:** mandatory vs voluntary contributions; developing countries vs emerging economies; innovative sources of finance
- **Eligibility:** 'particularly vulnerable' developing countries' vs 'all' developing countries?
- **Types of support:** Grants vs loans?; 'New and additional'?

COP28 outcome

- Historic decision on day 1 of COP confirming Transitional Committee text:
- **Total pledges >USD 0.7 billion:** Initial contributions UAE: USD 100m, Germany: USD 100m (negotiated well in advance), UK: GBP 40m, Japan: USD 10m, US: USD 17.5m, EU: EUR 145 million.
 - First substantial climate finance contribution from an Arab country
- **World Bank** will be the **interim host** of the Fund for the first four years
 - Operationalised as a **financial intermediary fund**
 - **The Bank must meet a set of 11 conditions**, including that the Fund reports to the **COP and CMA** and is bound by the **principles of the UNFCCC and the Paris Agreement**.
 - The Board of the Fund has been empowered to take **steps recommending a standalone Fund** to the COP/CMA **if the Bank cannot meet these conditions**
- **Santiago Network** will be hosted by **UN Office for Disaster Risk Reduction /UN Office for Project Services**



Starting point after COP27 and SB58

- Implementation of the ad hoc work programme on the NCQG for 2024
- Technical expert dialogues (8 meetings by the end of 2023)
- 2023 high-level ministerial dialogue on the NCQG (summarized different options and provided work guidance for 2024)

Key bones of contention

- **Structure** and **time frame** of the goal
- **Quantum** (finance volume)
- **Sources** of funding
- Transparency arrangements and effectiveness

COP28 outcome

- Purely procedural outcome referring the topic to COP29 and organizing workplan for 2024
- “need for enhanced provision and mobilization of climate finance from a **wide variety of sources** and **instruments** and **channels**, recognizing the interlinkages between the different elements of the new collective quantified goal, including in particular how the **structure** will impact the **scale**”

Starting point after COP27 and SB58

- The two-year Glasgow-Sharm-el-Sheikh work programme, adopted at COP26, with aim to advance the work on the GGA incl. 8 workshops over the course of two years.
- **At COP27, decision to develop a framework** as a tool to robustly assess progress towards achievement of GGA and enhance adaptation action and support. Framework to be adopted at COP28.
- **No agreement on what should be considered part of the decision and/or part of the framework.**

Key bones of contention

- How to include **means of implementation (MOI)** and if there should be specific MOI target → **Specific finance target** vs. mentioning on **enabling conditions** w/o finance target.
- Explicit mentioning of principles, particularly **CBDR-RC and equity** → inclusion vs. no text
- Selection of **sectors (“themes”), respective targets** and **timeline** → measurable, timebound targets vs. no targets or at least not prescriptive ones
- **Indicators:** which institution and deadline for this work → IPCC/AC/expert-group
- Inclusion of terms **“avoidance of maladaptation”** and **“transformational adaptation”** → omission of terms vs. inclusion.
- Divergence on whether to add a **permanent agenda item on the GGA** → inclusion vs. no inclusion

COP28 outcome

- Conclusion of the work programme and adoption of framework.
- **Rather weak language on finance and without specific target.**
- Generic mentioning of provisions and principles of UNFCCC and PA.
- **4 dimensions (APC steps) and 7 themes** (water, food, health, ecosystems, infrastructure, poverty eradication and cultural heritage) incl. **rather broadly defined targets** (all voluntary and no basis for comparison between Parties). W.r.t. **timeline for theme targets: indecisive language** in preamble stating, **“by 2030, and progressively beyond”**.
- **Launch a two-year work programme on indicators** for measuring progress achieved towards defined thematic and dimensional targets
- **Maladaptation avoidance mentioned** but only as one of many characteristics that adaptation actions should have. Text refers to GGA should **strengthen efforts for long term transformational and incremental adaptation** and **requests Secretariat to undertake work** on defining and understanding transformational adaptation.
- **No new agenda item on GGA**

Starting point after COP27 and SB58

- JTWP established as a new agenda item, complementary to GST, MWP

Key bones of contention

- Scope/definition of JTWP, and role of means of implementation (i.e. finance)?
- Role of **human rights, gender, indigenous people** (moved from scope to preamble)

COP28 outcome

- Work Programme has been **institutionalized under SBs, starting in 2024**
 - SBSTA/SBI Joint Contact group incl. 2 annual dialogues starting at SB60
 - Annual high-level ministerial round table
 - Review at CMA8 in 2026
- Elevates social/justice aspects of energy transition more prominently (“whole of society approach), serves as an interface with action agenda (tripling RE, JETPs)

Starting point after COP27 and SB58

- MWP established at COP27
- Key outputs (2 dialogues, high level roundtable, synthesis report by UNFCCC Sec) achieved in 2023 for the first time

Key bones of contention

- Improving MWP, raise mitigation ambition, in response to GST, science/IPCC
- How to reflect the substance of MWP outputs in text (accelerating JET and response to GST, role of controversial technologies)

COP28 outcome

- Mainly procedural text, but clear complementarities with GST and JTWP
- MWP provided an important space for discussing GST relevant aspects
 - Energy targets of MWP reflected in GST (tripling RE, doubling EE)
- Requests Secretariat to continue convening dialogues, investment-focused events
 - Strengthens focus on actionable solutions, but fuzzy demarcation with JTWP

Starting point after COP27 and SB58

- **Article 6.2 at COP27:** Agreement on initial tracking guidance (incl. unique identifier); draft AEF; Reporting outlines for the initial report and regular information; review guidelines
- **Article 6.4 at COP27:** no agreement on A6.4SB removals guidance; agreement on the timing of CDM transition; differentiation between authorised A6.4ERs and “mitigation contribution” unauthorised A6.4ERs; contribution to SoP and OMGE
- Discussions continued at SB58 and at pre-COP28 technical events in October 2023

Key bones of contention

- **Article 6.2:**
 - **Authorisation:** Types of authorisation (cooperative approach, ITMOs, and entities); timing, minimum content and changes to/revocation of authorisations
 - Clarification what a “cooperative approach” is with implications for AEF and authorisation
 - **Sequencing and timing** of reports and reviews, e.g. AEF submission only after review of initial report (successful review vs published)

Key bones of contention (continued)

- **Article 6.2:**
 - **Finalisation of AEF** to allow for annual reporting vs further capacity building required first
 - Managing **inconsistencies in data and the technical expert review (TER)**: Discussions on how inconsistencies should be flagged & whether inconsistent ITMOs can still be used
 - **Review of confidential information** → TER to disclose how confidential information impacts assessment of environmental and social integrity & Party to provide justification for confidentiality
 - **International registry** → can A6.4ERs be transferred into international registry from mech registry; should registry have accounts that allow for transfer or should it take the form of a meta-data registry
- **Article 6.4:**
 - Inclusion of **emissions avoidance and conservation enhancement** activities
 - Provision of **authorisation statement** by the host Party → timing, minimum content requirements, and changes to the authorisation statement

Key bones of contention (continued)

- **Article 6.4:**
 - **Nature and purpose of interoperability between mechanism registry and the Article 6.2 international registry**, as well as with Party registry → ‘transfer’ of authorized A6.4ERs versus ‘pulling and viewing’ of data and information
 - **Recommendations on methodological requirements and removal activities** → contentiously discussed issues like the downward adjustment of baselines in the methodology guidance and issues of permanence, categorisation of reversal risks, post-crediting period monitoring, social and environmental safeguards in the removals guidance

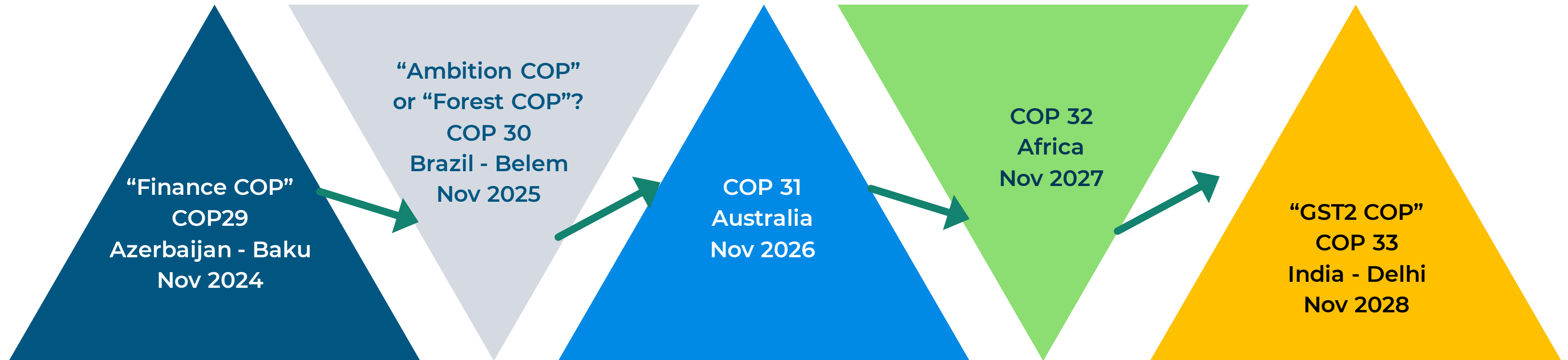
COP28 outcome

- Article 6.2 and Article 6.4 considered to be a ‘package’ as they are closely linked → disagreements in the Article 6.2 room on level of guidance on different aspects including lacking clarification of key definitions as well as concerns in the Article 6.4 room on the removals guidance led to a **deadlock** and **no adoption of any decision**
- **Article 6.8 decision text passed** which is unprecedented as usually Art. 6 is a “package”

- **“Glass 60% full”**
- Deft negotiation success of Presidency by getting **Loss and Damage Fund decision on first day**, “greased” by UAE pledging USD 100 million and generating positive dynamics reaching over USD 0.7 billion
 - Breakthrough for **climate finance by Non-Annex II countries?**
- **GST text adopted** everyone was equally unhappy with, showing good understanding of political dynamics by the Presidency. “Hammered through” in final plenary without huddles or drama.
 - **Good language on gaps and science overcoming prior deadlocks in the negotiations**
 - **Convoluting language on fossil fuel reduction** that is understood differently by different stakeholders
 - Big question whether **NDC updates will now reflect the action items** or whether **GST will be forgotten quickly** (precedent: “demonstrable progress” under Kyoto Protocol)
- **Market mechanisms victim of being seen as insufficiently important** by the Presidency – **another year lost to operationalize the Article 6.4 Mechanism**
- **Multilateralism in climate policy is plodding along** despite global crises and challenging geopolitics



Topics and hosts of upcoming COPs



- Will Azerbaijan, a country that has never been visible in international climate policy and is a petrostate with strong links to problematic regimes be able to do the heavy lifting on the NCQG and Article 6?

- Australia could become a good host, focusing on issues related to small island states, the ocean and transition towards green hydrogen

- India as a heavyweight country could play a key role regarding the ambition of the second Global Stocktake

Advanced webinar

Deep Dive into COP28: Comprehensive Analysis of Outcomes and their possible Consequences



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Research Director

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For those seeking expert-level insight into COP28 outcomes

 Wed. 20 Dec., 2023

 9:00 - 11:00 am CET

 Zoom