SEATINI

Strengthening Africa in World Trade

ROSA LUXEMBURG FOUNDATION

2023 UNITED NATIONS CLIMATE CHANGE CONFERENCE/CONFERENCE OF PARTIES OF THE UNFCCC (COP28)

Issues and Proposals on the Way Forward

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Outcome Paper Objective

This paper is a summary of the key outcomes of the twenty eighth Conference of Parties (COP28), which took place from November 30 – December 12, 2023, in Dubai, United Arab Emirates (UAE). This summary document provides an overview of the key negotiation issues and outcomes of COP 28.

Introduction and Context

The recently concluded twenty-eighth Conference of Parties (COP28) marked another milestone in the ongoing international efforts to combat climate change. COP 28 was rooted in the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. The conference followed the successful COP 27 held last year. This year, UAE had the presidency for COP28, with Dr Sultan Al Jaber as this year's president.

The purpose of COP 28 was multi-fold; it aimed to foster international cooperation and collaboration in addressing climate change. By bringing together a diverse range of stakeholders, including government representatives from across the globe, heads of state, ministers, delegates, scientists, representatives from international organizations like the United Nations, World Bank, and various non-governmental organizations (NGOs), researchers, Private Sector and industry experts, the conference sought to facilitate knowledge sharing and exchange of best practices; review and refine climate change mitigation strategies and adaptation measures to ensure their effectiveness in the face of evolving challenges; and the conference also served as a platform to discuss and further strengthen global commitments and strategies including mobilizing financial support for developing countries to tackle the pressing issue of climate change. It provided an opportunity to assess the progress made in implementing previous agreements and identify areas where further action was needed. The conference featured a series of meetings, workshops, and panel discussions that facilitated in-depth conversations on various aspects of climate change.

At the centre of the discussions during COP 28, climate change was a primary concern, along with biodiversity conservation, sustainable development, resource management, and environmental justice. These issues were key topics of discussion and deliberation among the participating countries, emphasizing the urgency to address them collectively. The conference underscored the urgency of taking collective action and international cooperation in achieving climate goals and underscored need to scale up the global fight against climate change. The Conference culminated into the adoption of the framework for the Global Goal on Adaptation which not only marks a significant step forward but also a stark reminder that the current commitment to doubling adaptation finance is just the beginning. This is because there is still a substantial gap that needs to be bridged to effectively tackle the challenges posed by climate change.

While recognizing every country's responsibility to act and rise to the occasion to deliver on the commitments towards reducing their emissions and work together to adapt to the impacts of climate change as spelt out in the Paris Agreement, leaders reiterated that it was time to move from pledges to rapid, robust, and impactful implementation.

KEY NEGOTIATION ISSUES AND OUTCOMES:

Global Stocktake:

COP28 concluded with a final consensus that lays out an ambitious response to the Global Stocktake and put forward a plan to close the gaps to 2030. The global stocktake is considered the central outcome of COP28, as it contains every element that was under negotiation and can now be used by countries to develop stronger climate action plans due by 2025.

The stocktake recognizes the science that indicates global greenhouse gas emissions need to be cut 43% by 2030, compared to 2019 levels, to limit global warming to 1.5°C. It further notes that Parties are off track when it comes to meeting their Paris Agreement goals.

The Global Stocktake decision at COP 28 recognized the significant progress developing countries have made in adaptation planning and implementation through their National Adaptation Process (NAP). The NAP process seeks to identify medium- and long-term adaptation needs, informed by the latest climate science. Once major vulnerabilities to climate change have been identified, the NAP process develops strategies to address them. The global stocktake also acknowledged that challenges remain, and countries need to urgently ramp up adaptation action and support. Thus, the stocktake calls on Parties to take actions towards achieving, at a global scale.

COP28 yielded consensus to triple renewable energy and double energy efficiency improvements by 2030, which is consistent with the net-zero 2050 pathway although by no means easy. The list also includes accelerating efforts towards the phase-down of unabated coal power, phasing out inefficient fossil fuel subsidies, and other measures that drive the transition away from fossil fuels in energy systems, in a just, orderly and equitable manner, with developed countries continuing to take the lead.[1] While the final COP 28 agreement does not specifically mention gas, it "recognizes that transitional fuels can play a role in facilitating the energy transition while ensuring energy security. Despite the progress made in the final agreement, the global stocktake made clear that the world is far off track to achieve net-zero by 2050 or limit warming to below 1.5 degrees Celsius. Additionally, Low Income countries were frustrated by the lack of a concrete plan to adapt to climate change and funds to do so.

Adoption of Loss and Damage Fund

One of the most significant agreements reached at COP 28 was the establishment of a loss and damage fund, which aims to provide financial support to developing countries that are suffering from the impacts of climate change. "Loss and damage" is a term used to describe the unstoppable harm caused by climate disasters.

The fund was created after years of negotiations and pressure from the most vulnerable nations, especially the small island states, which are facing the existential threat of sea level rise, extreme weather events, and biodiversity loss. The fund was welcomed as a sign of solidarity and recognition of the historical responsibility of the developed countries, which have contributed the most to the greenhouse gas emissions.

Developed countries also agreed to commit roughly $700 million to a loss-and-damage fund for the least developed economies (which are also responsible for only a negligible share of cumulative emissions to date). While this agreement was hailed as a breakthrough and avoided the worst-case outcome of breakdown in relations between rich and poor nations, the sum is still paltry compared to the needs and developing countries were left disappointed by a lack of new financial commitments for transitioning away from fossil fuels and adapting to climate impacts.

The "Trade Day" and the Role of Trade in Addressing Climate Change

COP28 was the first COP with a "trade day" aimed at discussing how to navigate rising trade tensions in the energy transition. Designating a "Trade Day" followed recognition of the fact that trade plays a critical role in addressing climate change as it has the potential to both contribute to and mitigate climate change impacts. Trade policy can be used as a tool to address trade barriers and promote fair and equitable access to climate change-related technologies and facilitate the adoption of green growth strategies. However, trade policies can be a "double edged sword" as they sometimes have unintended consequences.

The current trade policy architecture at national, regional, and multilateral levels requires a rethink if trade is to support a just energy transition. Additionally, the current trade policies do not provide incentives for trade in clean products. For reasons unrelated to climate policy, they instead favor carbon-intensive imports. Raw materials and industries producing intermediate goods are the highest emitters of CO2 per unit of value added.[2]

It was observed that although some of the climate change-related trade measures also known as "green trade" policies such as EU's Carbon Border Adjustment Mechanism (CBAM) have a significant potential of reducing GHG emissions, the same are likely to be used as punitive measures targeting developing countries to accelerate their transition. There was a general observation that CBAM might be good for the European Union, but not for the developing world. While the EU deems the tax necessary to ensure everything entering the bloc meet its climate goals, powerful emerging economies at COP28

1 *https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era*
2 *https://eprints.whiterose.ac.uk/188620/1/abo4207_accepted.pdf*

labelled such policies as protectionist, saying they disadvantage poorer trading partners.[3]

Some also predicted that the energy transition would ultimately require reform of the World Trade Organization (WTO), but that such efforts are marred with uncertainity. COP28 also introduced the role of trade to COPs for climate-smart, equitable growth, including supply chain decarbonization, transition, and resilience.

Fast-tracking a just, orderly, and equitable energy transition

A rapid decarbonization of the energy system is the key to keeping the goal of 15°C reach. This requires accelerating clean energy transition both from the demand and supply side, while such transformation should be orderly, just and equitable and also account for energy security.

To accelerate the energy transition, the COP 28 Presidency took a leading role in launching the Global Renewables and Energy Efficiency Pledge. With the endorsement of 130 national governments (as of 11 December, including the European Union (EU)), the Pledge stipulates that signatories commit to work together to triple the world's installed renewable energy generation capacity to at least 11,000 GW by 2030 and to collectively double the global average annual rate of energy efficiency improvements from around two per cent to over four per cent every year until 2030.

Decarbonization of energy systems

It was recognised at COP 28 that a rapid decarbonization of the energy system is the key to keeping the goal of 15°C within reach. This requires accelerating clean energy transition both from the demand and supply side, while such transformation should be orderly, just and equitable and also account for energy security. COP28 Presidency and Saudi Arabia launched the Oil and Gas Decarbonisation Charter (OGDC), a global industry charter aimed at speeding up climate action across the oil and gas sectors. 50 oil and gas companies representing more than 40 percent of global oil production committed to decarbonize their operations by 2050, aligning with the Paris Agreement goals. The signatories committed to net-zero operations by 2050, ending routine flaring by 2030, and near-zero upstream methane emissions. [4]

Fixing Climate Finance:

The United Nations Environment Programme estimates that developing nations need $194-366bn per year to help adapt to a warmer and wilder world. While significant mobilization of public and private finance is crucial, the importance of addressing the indebtedness of developing countries and reforming international financial architecture has also been acknowledged at COP 27. Throughout COP 28, a number of national governments and organizations announced commitments to climate finance to areas including but not limited to the Green Climate Fund, Adaptation Fund, Least Developed Countries Fund, and Special Climate Change Fund. [5]Under the leadership of the COP 28 Presidency, 13 national governments endorsed the UAE Leaders' Declaration on the Framework will work to unlock the investment opportunity of climate finance through collective action, opportunity for all, and delivering at scale.

Underpinning everything with full inclusivity

Climate change impacts communities and societies, particularly vulnerable communities and underrepresented groups. As such, ensuring representation of all voices around the world is key to the process held under the values of the UN. In this regard, prior to COP 28, the COP 28 Presidency and the Executive Secretary of the UNFCCC announced a joint statement committing to work together to make COP 28 the most inclusive UN Climate Change Conference to date. Gender equity is also a key part of inclusivity. The COP 28 Presidency and the COP 28 High- Level Champion took a leading role in launching the COP 28 Gender-Responsive Just Transitions and Climate Action Partnership. The 78 national governments that signed the Partnership commit to working collaboratively to support just and inclusive transitions that advance gender equality and the goals of the enhanced Lima Work Program on Gender and its Gender Action Plan and to reconvene for dialogue at COP 32 to report on the implementation of the commitments of the Partnership.

Focusing on People, Lives and Livelihoods

The record-breaking temperature and climate-induced disasters represent the ever-growing requirement for all actors to increase action to adapt and build resilience, especially in vulnerable communities.

The first implementation report released at COP28 looks at the progress made and the challenges ahead to close adaptation gaps and build resilience between now and 2030. Health, food and agriculture, and nature have been a part of the focuses of the SAA, and the High-Level Champions have shown progress on the Agenda throughout COP 28.

3 https://www.france24.com/en/live-news/20231204-unintended-consequences-friction-at-cop28-over-green-trade
4 https://www.arabnews.com/node/2419421/business-economy
5 https://unfccc.int/sites/default/files/resource/Summary_GCA_COP28.pdf

Given the issues and outcomes above, we recommend the following;

1. Adopt an Afrocentric, just and inclusive approach to the energy transition rooted in the continent's development aspirations and quest for structural transformation. This approach is critical for the realization of Africa's short, medium, and long-term energy development pathways towards accelerating universal energy access and transition.

2. African countries need to undertake a regional value chain approach to the energy transition to enable pooling of capabilities, resources, skills and know-how and to facilitate mineral value addition towards escaping the commodity dependency trap and to yield materials on which modern Africa's industry and society can rely.

3. Undertake civic engagement and empowerment towards achieving a successful energy transition using a whole-of-society perspective. This will ensure that the most affected categories of people and those bearing the brunt of the climate crisis participate in the energy transition related discussions and voice their concerns and interests.

4. Review trade, industrial and investment related policies and legislations to allow for technology transfer, joint ventures among others to facilitate a just energy transition.

5. Rethink economic growth to tackle climate change: Economic growth is associated with the accelerated degradation of the environment and often increases air pollution. Thus, there is need to rethink economic growth to be more pro-environment.

6. There is need to challenge false solutions such as carbon trading and using Africa as carbon sinks for carbon offsets as has been discussed here. This has dire implications for local communities.

7. Engage at the World Trade Organization level towards addressing trade and climate (environment) related tensions. There is need to ensure that agreements at the WTO level work towards addressing climate change and development related challenges.

8. Harness and direct government procurement towards addressing climate change.

Conclusion

COP 28 provided an opportunity to assess the implementation of the Paris Agreement and to prepare for the next round of national climate plans, which are due by 2025. The deliberations at COP 28 clearly indicated that although some progress has been made in the fight against climate change, a lot remains to be done to address the climate crisis. COP 28 also underscored among others, the need to consider trade, climate and development together. The need for an Afrocentric, just and inclusive energy transition based on the unique circumstances of each country and rooted in Africa's development aspira-tions and the quest for structural transformation cannot be over emphasized.

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