

Seeking New Hope Amidst Adversity? The Discussion Arising from the Decision of the 28th Conference of the Parties (COP28)

Liou, Je-Liang | Research Fellow, The Center for Green Economy

Background

Since the adoption of the Paris Agreement at the 21st Conference of the Parties (COP21) in 2015, the focus of the subsequent COP meetings has primarily been on formulating practical implementation principles for the Paris Agreement. This work direction, in essence, shifted towards the 'Global Stocktake' (GST) at the last year's COP27 following the main resolution of the 'Sharm el-Sheikh Implementation Plan,' reaching its peak. The GST, currently at the verification stage, aims to assess the various efforts made globally before the year 2020 and serve as a basis for planning the next phase of global efforts.

It is worth noting that a significant point of contention during the process of COP28 was related to the identity of the host country: the United Arab Emirates itself is one of the world's top ten oil-producing nations, and the chairman of this conference, Sultan Ahmed al-Jaber, is a key leader in the Abu Dhabi National Oil Company. Consequently, various speculations regarding conflicts of interest were prevalent throughout the execution of the conference. It wasn't until the official production of the COP28 decision, known as the "UAE Consensus," which included acceptance of fossil fuel divestment as one of the primary pathways to achieving the goals of the Paris Agreement, that the tension-filled atmosphere was officially eased.

While it may seem that this resolution has either reduced or, optimistically interpreted, eliminated the role of fossil fuels in the future global net-zero pathway, many view this as a major victory of the conference. However, if we consider its emergence from the perspective of the overall context or understand its potential development through the technical terms used in the resolution's language, interpretations may vary among individuals.

Due to the extensive nature of the resolutions, it is impossible to comprehensively cover each one. Therefore, in this article, I will still selectively highlight key resolution content and attempt to share my insights through discussion.

Key Resolutions Extracted and Explored

The resolutions of this session primarily revolve around the “Global Stocktake” (GST) and feature discussions that have made significant progress, including 'mitigation,' 'climate finance,' and the 'Loss and Damage Fund.' Each of these topics is elaborated upon below.

1. Mitigation

Following the comprehensive assessment through the GST, several key points have been summarized as follows.

Firstly, based on comparative evaluations and reviews, it was projected that the global average temperature would increase by approximately 4°C before the adoption of the Paris Agreement. However, if countries worldwide fully implement their latest Nationally Determined Contributions (NDCs), the projected future temperature rise would be reduced to a range between 2.1°C and 2.8°C. This indicates that the continuous call for higher reduction targets (ambition) in recent years has been worthwhile.

However, developed countries were supposed to reduce their emissions by 25% to 40% (compared to 1990 levels) by the year 2020, a target that has not been met. Furthermore, based on the NDCs submitted by countries worldwide, if fully realized, global emissions are only expected to decrease by 2% by 2030 compared to 2019 levels. To align with the goals of the Paris Agreement, a 43% reduction in global greenhouse gas emissions relative to 2019 levels is required by 2030, with a target of achieving a 60% reduction by 2035 and ultimately achieving net-zero emissions by 2050.

In light of the aforementioned context, countries, after deliberation, have called upon all parties to consider different national circumstances, pathways, and approaches. They have recommended several avenues to contribute to global environmental goals:"

- (1) Tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030;
- (2) Accelerating efforts towards the phase-down of unabated coal power;
- (3) Accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;
- (4) 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;

(5) Accelerating zero- and low-emission technologies, including, inter alia, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production;

(6) Accelerating and substantially reducing non-carbon-dioxide emissions globally, including in particular methane emissions by 2030;

(7) Accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero and low-emission vehicles;

(8) Phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible.

Up to this point, it should be evident that the current reality is that the world's performance in the midterm review of emissions reduction has been subpar, and the reductions achieved so far are insufficient. Additionally, the future plans proposed by countries (2030 NDCs) lack sufficient ambition, resulting in a significant gap from the desired ideal pathway (emission trajectory consistent with the warming goals of the Paris Agreement). Therefore, there is a need for more stringent and ambitious action plans. Initiatives such as the resolution content seen as one of the highlights of this conference, 'divesting from fossil fuels,' and even nuclear energy, which was only included as one of the options in the resolution text, are all proposed in light of this context.

However, it's crucial to note that the transition away from fossil fuels must be undertaken in a “just, orderly, and equitable” manner. This inevitably reminds us of the various discussions and experiences regarding fairness principles during the Kyoto Protocol era. Discussions around these principles can easily become practical constraints, as even reaching a consensus on operational definitions for 'just, orderly, and equitable' can be time-consuming negotiations. If this context continues to develop, the chances of fossil fuels persisting in the pathways of countries in the future are more likely to be weakened rather than completely eliminated.

2. Climate Finance

Regardless of mitigation or adaptation efforts, substantial financial support is a necessary condition to facilitate climate action. Looking back to the 15th Conference of the Parties (COP15) held in 2009, developed countries committed to raising at least \$100 billion annually by 2020 to support climate

actions in developing countries. Unfortunately, this commitment was not met as planned, leading to initiatives like the 'Climate Finance Delivery Plan: Meeting the US\$100 Billion Goal' being discussed during COP26 to work towards achieving this goal.

The good news is that the resolution text resulting from the GST assessment in this conference mentions some progress. Climate finance provided by developed countries reached \$896 billion in 2021 and is expected to reach the aforementioned \$100 billion target by 2022. However, because relevant statistical data is still being compiled, it cannot be officially confirmed whether the target has been met in 2022.

Nevertheless, according to the latest assessment, the adaptation finance needs of developing countries are estimated to range from \$215 billion to \$387 billion annually before 2030. Additionally, developing countries will need to invest approximately \$4.3 trillion annually in clean energy before 2030, increasing to \$5 trillion annually after that to achieve carbon neutrality goals by 2050. In other words, even if developed countries fulfill their initial commitment to provide \$100 billion annually to support mitigation and adaptation efforts in developing countries, there is still a significant financial gap to meet the clear needs.

Therefore, in addition to continuously urging developed countries to provide funding (with a focus on grants and concessional loans), the appeal for the adoption of a 'multilateral finance framework' and the cooperation of numerous financial institutions to provide sufficient funding for climate emergency actions, as seen in the COP27 resolution last year, remains a continuation of the climate finance agenda this year.

Of course, this conference also had some bright spots in climate finance. During the conference, the host country led efforts to secure pledges for climate finance (including donations and loans), resulting in a commitment of \$850 billion from various sources for various climate finance purposes. In summary, while these amounts still fall significantly short of the overall requirements, the fundraising momentum demonstrated during the conference was remarkable. If this momentum can be sustained, it will have a positive impact on global climate finance.

3. Loss and Damage Fund

Discussions and the framework for addressing loss and damage were

officially established during the COP19 conference in 2013, and their importance was reaffirmed in the Paris Agreement at COP21 in 2015. During last year's COP27, driven by strong demands from Southern countries, primarily developing nations, the 'Loss and Damage Fund' was established in the final resolution. This fund is designated for compensating climate-vulnerable countries for losses and damages. The focus of this year's conference was to approve the 'arrangements for the management structure' of this fund.

The resolution for the Loss and Damage Fund was formally announced during the opening ceremony of this conference on November 30th. The resolution concluded on previously contentious issues between developed and developing countries. It decided that the Loss and Damage Fund will be operated by a new, dedicated, and independent Secretariat and supervised by a Board. To facilitate its operations, the World Bank will serve as the interim trustee of this fund initially and plan to establish a specialized and independent Secretariat for the Loss and Damage Fund. However, before the independent Secretariat is established, the resolution calls for the Climate Convention Secretariat, the Green Climate Fund (GCF) Secretariat, and invites UNDP to jointly form an interim Secretariat to provide assistance and support to the Board. Additionally, during COP28, funds totaling \$7.92 billion were raised for the Loss and Damage Fund.

While these developments represent a step forward in the operation of this fund, core technical questions such as how to secure sufficient or establish stable sources of funding and how to establish a reasonable mechanism for measuring damages and distributing funds are still to be planned by the Board and Secretariat. In other words, in the short term, this fund may have some symbolic operations, but there are still many challenges to meet the initial demands of developing countries for it to become fully effective.

4. Global Carbon Market: Activation Remains a Step Away

The global carbon market mechanism might be considered one of the missed opportunities of this conference. After the main principles were approved at COP26, discussions and fine-tuning of technical rules have been the focus for over two years. A technical draft of the global carbon market mechanism, supported by Article 6.2 and Article 6.4 of the Paris Agreement, was completed by the subsidiary body meetings (SB) before the start of COP28.

It was originally expected that this year there was a chance to finalize the relevant technical rules and officially activate the carbon market mechanism under the Paris Agreement next year. However, in the later stages of negotiations, different countries could not reach a complete consensus on the thoroughness of the review mechanism and handling of details, so discussions on this matter were deferred to the following year.

In summary, the negotiation development in this area is still lacking the final step, but the use of carbon market mechanisms to provide climate funds for developing countries and accelerate global mitigation efforts remains a consensus direction for countries under the Climate Convention, and this has not changed. After the passage of the Climate Act in our country, a carbon rights exchange has been formally established. International emission reduction credits can be used not only for voluntary carbon neutrality by businesses and meeting supply chain requirements but also for potentially offsetting carbon fees. On the other hand, from a national perspective, accepting the compliance rules of the Climate Convention for NDC targets and using the emission reduction efforts of other countries to offset our country's targets is a viable approach. Therefore, continued attention to the subsequent development of this mechanism remains necessary."

Conclusion

In summary, under the global stocktake examination, it was found that the efforts of countries worldwide to reduce emissions before 2020 fell short of expectations, and the midterm plans currently proposed (2030 NDCs) are far from what is needed to achieve the world's consensus goals. What we need is a more stringent and ambitious action plan. In this context, the inclusion of the commitment to **"tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030"** in the resolution, along with the emphasis on **"transforming energy systems away from fossil fuels in a just, orderly, and equitable manner"**, is one of the reasons why the outcomes of this conference are seen as encouraging.

However, as discussed in this article, even though divesting from fossil fuels is becoming a trend, there are still many technical challenges to consider in practical implementation. For example, considering Taiwan's current energy structure and the *"Taiwan's Pathway to Net-Zero Emissions in 2050"* recently unveiled by the National Development Council, completely divesting from fossil

fuel usage is quite challenging in practice. This is a challenge that Taiwan inevitably needs to face. Finding appropriate and feasible technical solutions or providing a reasonable explanation from a discourse perspective for the challenges and limitations Taiwan faces is the critical thinking direction for Taiwan in addressing climate convention-related issues.

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