

COP28 Climate Conference: High time for a course correction and new avenues

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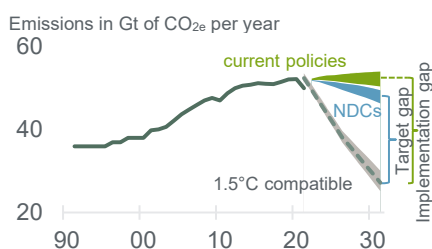
Why we should set our sights on Dubai in December

The UN Climate Summit (COP28) will be held from 30 November to 12 December 2023. The key event will be the conclusion of the first Global Stocktake (GST), an assessment of the progress on climate action that was established in the Paris Agreement of 2015 and from now on will be conducted every five years.

It is high time to increase the pace

The GST process looks at where the international community is collectively making progress and shows that while we have made important advancements, current paths remain insufficient to achieve global climate goals (Figure 1). The political phase of the Global Stocktake performed during COP28 will serve to negotiate the response to the findings of the stocktake.

Figure 1: Global emissions gap

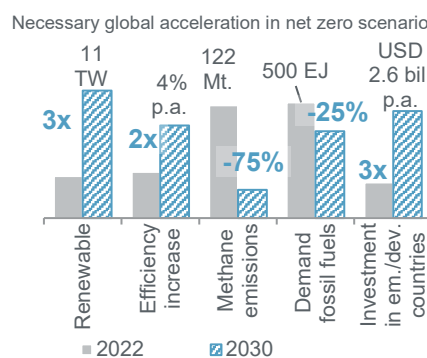


The benchmark emissions from a 1.5°C-compatible pathway are 27 GtCO_{2e} in the year 2030. The emissions gap between this level and the Nationally Determined Contributions (NDCs) for 2030 is 19–22 GtCO_{2e} (target gap), or 23–27 GtCO_{2e} if current policies are maintained (implementation gap).

Source: Climate Action Tracker (2022)

The opportunity: The collective assessment of the progress and challenges can create a framework for future action that can remain in place well beyond the conference. Thus, COP28 provides a platform on which decisive changes can be initiated. The International Energy Agency (IEA) highlights five pillars that require significant acceleration to get the world on track by 2030 (Figure 2):

Figure 2: Course correction based on 5 pillars



Source: International Energy Agency (2023).

Renewables are on the rise in many countries

Accelerating the expansion of renewable energy capacities is one of the most important individual measures which governments can adopt to fight climate change. This demand was also addressed by the COP presidency. There are promising approaches. In half of all countries, which are responsible for 38% of global electricity demand, the shares of fossil fuels in electricity generation have been on the decline for more than five years. Technological advances and innovation have reduced the contribution of technologies only available in the future to the emissions reductions needed to reach net zero by 2050 from 50% in 2021 to 35% today. These cautious achievements must now increasingly be built upon.

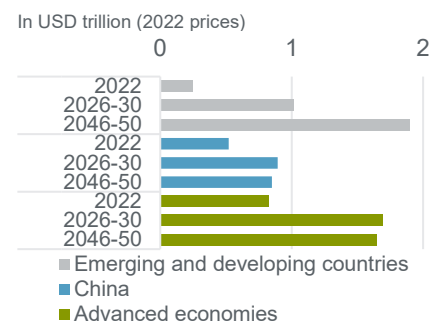
Climate change adaptation and climate damage

With regard to setting the framework for the global target for adaptation to climate change (Paris Art 7.1), the aim is to substantially increase countries' previously fragmented and localised efforts to improve their adaptive capacity and to strengthen the resilience of particularly vulnerable countries. The UN estimates, that adaptation financing has fallen well behind the needs and is

stagnating at the same time. Closing the gap will require, more than anything, increased international adaptation finance, a more effective use of funds and the mobilisation of private capital.

Negotiations are also underway to set up a fund that compensates low-income countries for **climate loss and damage**. The consensus reached in the run-up to COP28 on a basic fund structure and the transitional role of the World Bank as its interim trustee and host is a compromise but also an important anchor given the heterogeneity of positions.

Figure 3: Large investment needs in emerging countries



Average annual funding requirements in net zero scenario, 2022 to 2050.

Source: International Energy Agency (2023).

Finally, the urgently needed boost in international **climate finance**, including transfers for emerging and developing countries, will play a critical role (Figure 3). The focus is on increasing the role of the private sector in the provision of necessary financial resources. International finance institutions and multilateral development banks are also called upon to raise their level of ambition.

Cooperation as the overarching goal

In all these issues, transparency and global cooperation between all actors are unifying factors that are gaining even more importance and urgency in the face of growing geoeconomic block formation.