

Nedan följer en sammanfattning från vår representant i UNFCCC, Sandra Hanni, av den briefing som vi arrangerade i slutet av mars för att summera resultaten av COP27 och blicka framåt mot vilka frågor som kommer att stå i fokus under COP28.

ICC Briefing on Outcomes of COP27 and Looking towards COP28

Thursday, 30 March 2023

Introduction:

- While many hoped for a more ambitious outcome, the Sharm el-Sheikh Implementation Plan (SHIP) agreed at COP27 moves us forward. It underscores the commitment of countries made in Paris and Glasgow to accelerate efforts to put the world on the critical 1.5°C trajectory and includes several important decisions.
- The current geopolitical challenges made the past climate negotiations certainly one of the most challenging in recent history.
- In less than 10 months, governments will again come together for COP28 in Dubai with even greater expectations to deliver on commitments, implement decisions and achieve a course-correction under the first-ever Global Stocktake.

1. COP27: Substantial outcome achieved, despite difficult geopolitical and economic context.

- On the negotiation side, the decisions can be divided in **three main clusters + one cross cutting element**.
 - **Mitigation:** outcome had three major components:
 1. Countries avoided backsliding and kept language agreed in Glasgow, reaffirming their commitment to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levels and requesting countries that have not yet done so to “revisit and strengthen” their 2030 climate targets by the end of 2023, as necessary to align with the Paris Agreement”.
 2. The operationalisation of the Mitigation Work Programme (MWP) to urgently scale up mitigation ambition and implementation in this critical decade, that took a lot of delay as different countries had different views on priorities for the WG. It was finally initiated and the first meeting under the MWP will take place at forthcoming Bonn Intersessional Meeting under Co-Chairs from Egypt and France.
 3. Energy section in the SHIP, that includes, for the first time in a COP decision the need to need to shift to renewable energy and asks countries to increase the share of renewable energy in their energy mixes. This was a very important component of the agreement.
 - **Finance:** Four main elements (two procedural and two action-oriented):
 1. Call for the delivery of US\$100 billion-a-year promise for developing countries.

2. Call for delivery of doubling of adaptation finance.
 3. Call for reform of IFIs and MDBs to deliver three main objectives (i) increase the scale of climate finance; (ii) to facilitate the access of developing countries to climate finance and (iii) to consider financing instrument and type of financing provided, with particular focus on concessional finance.
 4. Replenishment for the Green Climate Fund, which should substantially increase.
- **Funding Arrangements for Loss and Damage (LaD), including a Fund:** major outcome of Sharm El Sheikh
 - **Cross-cutting element** (which was a reflection of what COP27 Presidency had heard in terms of countries' needs throughout the year) is the **Just Transition WP**. Under this, discussions on the two other dimensions, social and economic dimension of the shift to the climate responsible development model will be considered.
- **Lessons learned:**
 - Difficult financial and fiscal situation in developing countries makes investments increasingly difficult as well as increased barriers to access finance.
 - Importance to look at and consider the social and economic dimensions if we are to achieve the energy transition without leaving no one behind (particularly clear in the case of South Africa and launch of JETP).

2. COP28: Delivery and accelerated action across mitigation, adaption and finance seen as critical

- COP27 and the SHIP launched a new era under the UNFCCC – that of implementation.
- Three dimensions of COP were mentioned:
 1. It is an action forcing event – it (should) makes countries and all stakeholders do their homework.
 2. It is a platform for momentum, announcements and collaborations that would not happen otherwise.
 3. There are mandated negotiations where countries find consensus on how to move further and faster.
- Recent IPCC and IEA reports emphasise the urgency for accelerated action.
- The incoming COP28 Presidency is closely working with the Egyptian Presidency to set the foundations for Dubai.
- Need to ensure that there is coherence between what is decided at COPs, and the investments needed to deploy new technologies to achieve the transition to a low emissions climate resilient future.
- The global community needs to embark on a **vast plan of transformation of our economy** which is inclusive and empowers all stakeholders and all society to fight against climate change. A transition that is just and leaves no one behind will be critical.
- An ambitious outcomes must be achieve on the following issues:

1. On **mitigation**, countries must deliver a clear outcome under the MWP. This will help the international community to accelerate the transformation required and move towards a just energy transition that unlocks financial opportunities. If this done the right way, the climate challenge will represent the greatest opportunity for inclusive growth since the industrial revolution. There are high expectations from some countries that mitigation plays a central role at this year's COP28, including the expansion and scaling up of renewable energy. In particular, major emitting countries, that have not yet come forward with strengthened NDCs are expected to do so by COP28.
2. On **adaptation**, Parties must deliver the Framework for the Global Goal on Adaptation. This will help catalyse increased adaption action and will help inform the need around adaptation finance. Building **resilience and adaptive capacity** to protect the most vulnerable will also be important.
3. On **finance**, this is seen as a key priority. Unlocking finance will be extremely important. Countries must answer the strong call to action from COP27 with regards to reform of the international financial architecture. Countries also see need to work more closely inside and outside UNFCCC to reflect on how to align all financial flows with the Paris goals and in particular scale up private sector finance. A stronger alignment between policies of governments around the world and the financial institutions is important. MDBs, IMF can do more to address the challenge on how finance agenda could be moved forward and forthcoming WBG/IMF Spring meeting and Macron/Mottley Finance Summit are seen as important milestones.
4. On **LaD**, countries must bring what was the historical outcome from COP27 to life. This includes the full operationalisation of the Fund, and to ensure that the right structures are in place to support the work of the Fund and to help channel financing effectively.

Three key priorities were mentioned by Germany and U.S in this context:

1. It is important to look at a broader landscape of possible institutions arrangements, activities as well as existing efforts (including the Global Shield) which could support LaD, and then look at the details for the operationalisation of the fund.
2. Secondly, it is important that the new funding arrangements focus on the most vulnerable countries.
3. All countries that are able and have the resources to contribute should do so, as well as traditional donors, but there is also a need to look at new sources and innovative financing instruments.
5. On **GST**: Countries must come together and sets a clear pathway to achieve the Paris goals over the next decade which aligns countries with the 1.5 goal and sets in motion the solutions and actions needed for the transformation. The GST outcomes needs to be consequential and robust and one key role of the GST is to **inform enhanced NDCs**.

3. Business has a key role to support successful COP28 and achieve implementation

- A successful outcome in Dubai can only be achieve through an **inclusive approach** of countries, businesses of all sectors and civil society groups. There is a need to listen

and fully engage with all Parties and stakeholders, to understand their concerns and needs as we embark on this transformational change.

- Business engagement and contributions is seen particularly important in the following areas:
 1. Work of the **High-Level Climate Champions** and **Marrakech Partnership for Global Climate Action** (also through UNFCCC Regional Climate Weeks, regional workshops and other activities),
 2. Coming forward with potential **plans and pathways for decarbonisation**. This will be very important, as COP28 will focus on implementation, achieving net zero and decarbonisation.
 3. There is a desire to have an implementation focus that engages the **investors community** in the **MWP**.