

COPs in the MENA region. Green Washing or Changing Scenario?

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With the strapline, “Together for implementation,” the United Nations Climate Change Conference or COP27 was held in November last year in Sharm el Sheikh, marking not only 30 years since the United Nations Framework Convention on Climate Change (UNFCCC) was adopted (Townend, 2022), but also rapid geopolitical transformation, recurring erratic weather events and looming prospects of global economic recession (Schalatek, 2022). Despite all these challenges, ahead of COP27, there was a strong momentum to urgently address the three main pillars of climate action, including: fulfilling financial pledges for the purposes of climate mitigation and adaptation; accelerating decarbonization efforts to limit global warming to 1.5°C above pre-industrial levels; and reaching an agreement on a fund to provide financial and technical help for countries that are most affected by climate-related loss and damage (UNEP, 2022). This article aims to shed light on the main outcomes of COP27, the progress that was made on loss and damage; climate finance, adaptation and mitigation, and the challenges that impeded more rigorous climate ambition, action and targets in alignment with the Paris Agreement.

A Breakthrough Agreement on Loss and Damage: The Devil is still in the Details

COP27 ended with a breakthrough agreement to provide “loss and damage” (L&D) funding for vulnerable countries hit hard by climate disasters (Andersen, 2023). Calls for climate reparations are related

to the discourse around the ecological debts the Global North owes for historical and ongoing excessive extraction and manufacturing of the natural resources from the Global South, and the resulting climate pollution, which destroys the ecology and livelihoods of the local communities in the Global South (Táiwò & Bigger, 2022). Holding developed countries responsible and ensuring payment of such debts has been an ongoing political struggle, led by African and Latin American countries and environmental justice movements over the past few years (Bond et al., 2021). However, the demand for loss and damage mechanisms has always been denied at every previous climate negotiation conference (Willis, 2022). Eventually, COP27 managed to conclude an agreement that entails funding countries that are “particularly vulnerable” to negative climate change impacts (UNCC, 2022). However, it seems that describing the countries that are eligible for getting such funding as “particularly” vulnerable will deprive other countries that still suffer from the acute impacts of climate change from such funding. For example, countries that are involved in protracted civil conflicts lack the capacity to adapt to climate change, and consequently are in need of international climate finance to bridge the gap (Lowings and Lienard, 2022). In addition, other details of this funding mechanism are yet to be clarified and negotiated. Critical issues to be clarified are how much money the fund will manage, who will be responsible for securing this funding, whether there are sufficient financial commitments from relevant stakeholders to activate the fund, and how these funds could be mobilized to compensate for L&D (Usman, 2022). The first crucial concern is ensuring that the fund will be able to meet “the urgent and immediate need for new, additional, predictable and adequate financial resources” (UNFCCC, 2023), and avoiding existing climate financing for oth-

er priorities being diverted (Hill, 2023). However, it is quite challenging to achieve this goal, given that developed countries have already failed to fulfill their climate finance pledges (Lowings and Lienard, 2022). It is important that an L&D fund addresses the current gaps that climate finance institutions such as the Green Climate Fund failed to bridge (UNEP, 2023). The UN Environmental Programme indicates that funding for both adaptation and mitigation in 2020 fell at least US\$17 billion short of the US\$100 billion earmarked for developing countries (UNEP, 2022). Another crucial question that also needs to be negotiated is which countries will be responsible for the financing of the fund (Andersen, 2022). It has been agreed that developed countries will provide the financial resources for the fund, however there are calls to make countries such as India and China – that have a complicated role in global climate action – pay a share into the new L&D fund (Rannard and Stallard, 2022). India, for example, is poised to be one of the world's fastest growing economies in the coming years, and, despite its efforts towards meeting its emission reduction targets under the Paris Agreement, the total GHG emissions are expected to increase by more than 40 percent by 2030 (MacDonald and Spray, 2023). Similarly, China is boosting its coal power to fuel its economy, which is expected to contribute a third of global growth this year, releasing more carbon emissions into the atmosphere (Cerdeiro and Jain-Chandra, 2023). The EU has promised to provide €60 million for L&D – with the biggest share of funding coming from Germany at \$172 million – a drop in the ocean (Lowings and Lienard, 2022). However, growing economies and large emitters should be considered as potential donors, despite not being historically responsible for emitting GHG emissions and being technically classified as developing nations under the UNFCCC (Andersen, 2022).

Climate Finance: Slow Progress and Broken Promises

To achieve the +1.5°C target, there is a pressing need to secure massive financial investment in climate mitigation and adaptation (UNCTAD, 2022). Agreed at COP27, the Sharm el-Sheikh Implementation Plan states that “about US\$ 4 trillion per year

needs to be invested in renewable energy up until 2030 to be able to reach net-zero emissions by 2050, and that, furthermore, a global transformation to a low-carbon economy is expected to require investments of at least US\$ 4-6 trillion per year” (UNCC, 2023). In addition, adaptation in developing countries will cost up to \$340 billion a year (Usman, 2022), and delivering such funding will require a transformation of the financial system and its structures and processes, engaging governments, central banks, commercial banks, institutional investors and other financial actors (UNCC, 2023).

The resulting report of the COP27 merely mentions that limiting global warming to 1.5 °C above pre-industrial levels requires “rapid, deep and sustained reductions in greenhouse gas emissions” by 2030, with no reference to a wider transition away from fossil fuels such as gas and oil

However, with regard to the new estimates of the amount of finance needed for climate mitigation and adaptation, COP27 has failed to keep its promises to raise green finance for developing countries in particular (Lowings and Lienard, 2022). Indeed, the earlier pledge to provide up to \$100 billion in climate finance per year represents a small portion of the newly estimated climate finance, and is still yet to be met. The OECD indicates that in 2020 only US\$83.3 billion was delivered in climate finance, out of which, only 25% was dedicated to adaptation programmes. While other estimates, e.g., by Oxfam, indicate that delivered climate finance is only a third of this figure (Ahluwalia and Patel, 2023).

In addition to its failure to raise increased funding for climate finance, COP27 failed to raise climate finance equally, in particular for the most vulnerable countries, which have been the most neglected by climate aid (Lowings and Lienard, 2022). This has been the case for African countries that suffer from a lack of climate finance and are hit hard by climate risks, despite their minimal contributions to climate

change, with only 3% of the total carbon emissions (Motune, 2022). In this regard, estimates indicate that Africa will need a total climate finance of US\$ 2.5 trillion between 2020 and 2030, representing more than 93% of Africa's GDP. Adapting to climate change is projected to cost the continent at least \$250 billion each year. However, total climate finance flows in Africa for 2020, were only US\$ 30 billion, and about 39% of this funding was provided for adaptation activities, with a total sum of \$11.4 billion (Guzmán et al., 2022).

Although adaptation receives the bigger share of climate finance flows in Africa, it is estimated that cumulative adaptation finance through to 2030 will be less than a quarter of the estimated needs, as declared in the nationally determined contributions (NDCs), causing significant funding gaps for adaptation initiatives and projects in Africa (Richmond et al. 2022). Furthermore, although there have been elaborate discussions on reforming and easing developing countries' access to climate finance, no concrete actions have yet been implemented (Lowings and Lienard, 2022). In this regard, it is estimated that more than half of the adaptation-related fund provided by bilateral and multilateral funders to African countries in 2019 to 2020 was in the form of loans, with 30% as concessional debt and 23% as commercial debt (Richmond et al., 2022). The external public debt service prevents African countries from providing basic public services such as education and healthcare (Volz et al., 2022). For example, Ghana, despite suffering from a chronic debt crisis, received 40% of its climate finance as loans and debt. In 2019, the country spent 55 times more on debt servicing than on agriculture (Oxfam, 2022). Also, Niger (the 7th most vulnerable country in the world to climate change), Mali (13th most vulnerable) and Burkina Faso (24th most vulnerable) received most of their climate finance as loans and debts, while they all face debt distress and implement austerity measures that will greatly affect their ability to provide basic public services to their citizens (Oxfam, 2022). This precarious debt crisis in Africa, compounded by climate vulnerabilities, pushes the African countries into a vicious circle in which increased climate vulnerabilities raise the costs of international debts and limit the fiscal and monetary space for investment in climate adaptation and resilience (Volz et al., 2022).

Mitigation: Big Ambition Hampered by Fossil Fuel Industry

Increasing the world's ambition in terms of cutting emissions has always been at the centre of negotiations at COP conferences in recent years (Lowings and Lienard, 2022). By the end of COP26, 151 countries submitted more ambitious NDCs, outlining plans to cut carbon emissions by 2030 (Iyer et al., 2022). However, between COP26 and COP27 only 34 of 194 parties submitted new or revised NDCs, and only Mexico declared more ambitious NDCs (Lowings and Lienard, 2022). According to Tan et al. (2022), COP27 was a disappointment in that there were no new decarbonization targets, which are much needed in light of the climate crisis emergency. The resulting report of the COP27 merely mentions that limiting global warming to 1.5 °C above pre-industrial levels requires "rapid, deep and sustained reductions in greenhouse gas emissions" by 2030 (Masood et al., 2022), with no reference to a wider transition away from fossil fuels such as gas and oil. By fulfilling the current declared mitigation pledges, climate scenarios indicate that the world's emissions will increase by 10.6 per cent by 2030, in strong contrast to the 45 percent emissions reduction needed to align with a 1.5°C pathway. This will ultimately result in global warming of 2.8°C during the 21st century (UNEP, 2022). The IPCC indicates that limiting global warming to around 2°C requires global greenhouse gas emissions to be reduced by a quarter by 2030, reaching net-zero emissions in the early 2050s (IPCC, 2022). However, in reality, emissions are still rising, with atmospheric levels of the three main greenhouse gases (carbon dioxide, methane and nitrous oxide) all reaching new record highs in 2021 (Townend, 2022). Although it is true that this quantified trajectory was officially acknowledged by the governments at COP27, mitigation targets were no more ambitious to avoid "business-as-usual" emissions scenarios, which will lead to a more than +2.5°C pathway (Lowings and Lienard, 2022). The call to phase out fossil fuels was blocked by oil-producing countries and representatives of the oil industry – that are heavily criticized by environmental activists as showing a faux commitment to net-zero ambitions and doing nothing to transform their business models (Masood et al., 2022; Moneer, 2022). According to Global Witness and Oil Change International, at a time

of climate emergency where the world should be looking to achieve net-zero emissions, the 20 largest oil companies will invest \$1.5 trillion on extracting more fossil fuel by 2041 (Global Witness, 2022). The same holds for majority state-owned oil giants, whose governments have signed the Paris Agreement and submitted their NDCs, such as Russia's Gazprom, Saudi Aramco, PetroChina and Norway's Equinor (Global Witness, 2022). A recently published study indicated that while the four big oil companies – Chevron, ExxonMobil, BP and Shell – are increasingly adopting narratives such as “climate targets,” “low carbon” and “transition” in their performance evaluations, the lion's share of their investments revolves around traditional fossil fuel (Morris, 2023). For example, estimates indicate that Chevron have indeed met their lower carbon intensity targets for 2016-2020, however this does not imply a significant transition towards carbon-neutral production, particularly given the fact that Chevron have expanded their fossil fuel production and emitted more carbon over the same period (Evans, 2022). Aramco, the world's biggest oil company, committed to take rigorous steps to gradually reduce its carbon emissions to be carbon neutral by 2050; however, it then declared plans to increase crude oil production from 12 million barrels a day to 13 million by 2027, contradicting its net-zero pledges (Holleis, 2021).

COP27: Challenges that Outweigh the Successes

Apart from the breakthrough agreement on an L&D fund, COP27 is seen as an attempt to prevent backsliding on the outcomes of COP26 in Glasgow. The L&D fund has been a longstanding demand for developing countries that bear the brunt of the climate breakdown and are the least resilient to adapting to its impacts. Although such a fund represents a step towards climate justice, the future of the L&D Fund is hanging in the balance, and much will depend on securing massive and consistent finance flows to the fund and ensuring that existing climate financing for other priorities will not be diverted. Having the fund in place does not mean forgetting about eradicating the root cause of climate change – and that involves reducing emissions, particularly given the increasing gap between declared national climate pledges and

what's required to limit temperature rise to 1.5 degrees. At COP26, participating countries were asked to work on their national strategies “towards just transitions to net-zero emissions” in the run up to COP27, and invited to ratchet up their climate commitments in line with a 1.5°C global warming limit (Alayza et al., 2022). However, COP27 failed to urgently put forward robust and ambitious NDCs and pursue stronger policies to cut emissions, including long-term decarbonization plans. Another disappointing outcome of COP27 is the failure of developed countries to make significant headway towards honouring their commitment to provide US\$100 billion annually for climate finance in developing countries. With COP28 approaching at a time of alarming climate events, rising energy prices following Russia's invasion in Ukraine and inflation pressures that threaten a global recession, it is important that climate finance for developing countries is not deprioritized and – more importantly – that a feasible and reliable plan be developed for the overdue fulfillment of the US\$100 billion annual climate finance target.

At the same time, the current funding arrangements need to be revised, as the vast majority of climate finance is provided in the form of loans, aggravating the debt crisis particularly in the least developed countries (Moneer, 2022). At COP28, the current climate finance architecture needs to be reformed to increase developed countries' contributions to climate finance and to underline the different funding arrangements that can be pursued by developing countries and ease their access rules. These funding arrangements include bilateral funding, multilateral funding, multilateral development banks, private sector contributions, Special Drawing Rights from the International Monetary Fund and voluntary carbon markets (Tagliapietra, 2022).

While phasing out coal power was one of the remarkable outcomes of COP26, COP27 failed to extend the phase down to all fossil fuels, despite the fact that 80 countries had pushed for this. Rather, it called on countries to “accelerate efforts towards the phase down of unabated coal power and phase-out of inefficient fossil fuel subsidies” (UNFCCC, 2023). The strong presence of fossil fuel giants at COP27 and their relentless lobbying to continue extracting fossil fuel, while claiming to adopt global climate goals, is an appalling attempt to greenwash their profit seeking and business-as-usual practi-

es (Global Witness, 2022). The IPCC is clear in its statement that 89% of global carbon dioxide emissions come from fossil fuel combustion and industrial processes. COP28, therefore, is expected to witness a strong momentum in favour of laying down concrete commitments and plans to phase out fossil fuel production, which align with the Paris Agreement's ambition to limit global temperature rise to 1.5°C.

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