

COP27

IEMA Policy Briefing

Introducing this year's
international Climate Conference

Nov 2022



This briefing note provides a short overview of what to expect at the 27th Conference of the Parties (COP27) in Egypt in November 2022. We look at the key topics on the agenda and the background context to some of the stickiest issues.

The background to COP27

The climate crisis is accelerating but hope remains

The UN's climate change officials have warned that climate change is progressing at an exponential pace.

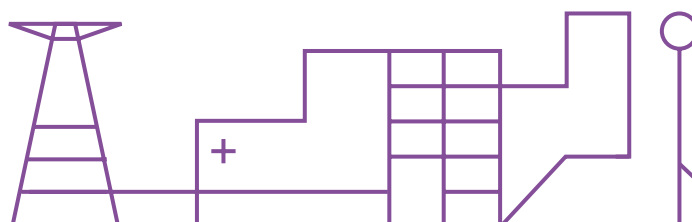
In 2015, at COP21, 195 countries adopted the legally binding treaty the Paris Agreement, with its goal of limiting global warming to well below 2°C, and ideally not more than 1.5°C, compared to pre-industrial levels. Despite 6 years of action in the interim, the world is currently on track to more than double the 1.5°C goal by the middle of this century and modelling shows a potential warming of up to 4°C.

As climate risks accelerate and the effects become more severe, impacts cascade through natural and human systems, often compounded by impacts from other human activities. In the worst scenarios, thresholds are reached beyond which systems' recovery is impossible for decades or even millennia.

Climate change disproportionately affects those in poverty and can exacerbate economic, gender and other social inequalities. Climate change mitigation and adaptation action that is fully inclusive benefits the most vulnerable. To this end, the governance and decision-making process must display a commitment to gender equality, racial equality and social cohesion; protection of the rights of Indigenous Peoples; disability inclusion; intergenerational equity and young people; the promotion

of women and girls; marginalised persons' leadership and involvement in decision-making; and recognition of the value of their knowledge and leadership; and support for the collective climate action of diverse social groups.

The Intergovernmental Panel on Climate Change (IPCC) reports that for many locations on earth, capacity for adaptation is already significantly limited. The IPCC also, however, notes that action on adaptation and mitigation can reduce extreme climate risks and vulnerability. The implementation of these depends upon the capacity and effectiveness of governance and decision-making processes. Urgency of action is critical. In the lexicon of COP: 1.5 degrees is alive, but the pulse is weak.



The journey to COP27

The annual United Nations climate change conference has been running for almost three decades, and 2022 is the 27th Conference of the Parties – COP27.

Two exceptionally important prior COP summits were COP21 – which delivered the Paris Agreement and COP26 – which delivered the [Glasgow Climate Pact](#).

The Paris Agreement committed member countries to work together to limit global warming to 1.5 degrees, to adapt to the impacts of the changing climate and to make the necessary financial mechanisms available to deliver these aims. Countries also committed to publish plans on how much they would reduce their emissions – known as Nationally Determined Contributions or NDCs. They agreed to review their plans every five years with a view to raising ambition. The NDCs announced in Paris did not put the world on target to meet the 1.5 degree goal, which has caused dangerous delay to the pace at which mitigation measures are needed. All eyes were on COP26, at which countries needed to catch up lost ground as well as demonstrate continuing progress towards the goals.

The Glasgow Pact emphasised the urgent threat of climate change. Key agreements were on the science and urgency of climate change; the need for adaptation to be planned by all nations and to be especially planned and funded for the most vulnerable; a continued and renewed emphasis on mitigation; and a fresh push on finance, technology transfer and capacity building for mitigation and adaptation.

While COP26 was framed (and delayed) by the pandemic, COP27 will be framed by war in Europe and its repercussions of supply constraints in energy and food, which have cascading impacts around the globe. While no country will be immune, the poorest will suffer the most. Although not directly related to climate, the implications of the actions taken in response will have an impact on climate (for instance, if dirtier fossil fuels than gas are used for energy) and will certainly risk diverting the attention and funding of governments. In addition, 2022 has seen continuing extreme weather events around the world, causing loss of life and livelihoods, and demonstrating to any remaining doubters that climate change is a very real threat.



COP27 themes

Mitigation

Climate change mitigation is a collection of actions to reduce or prevent greenhouse gases being emitted into the atmosphere.

The Paris Agreement temperature goal aims to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursues efforts to limit the temperature increase to 1.5 °C above pre-industrial levels.

Each Party must calculate and submit its Nationally Determined Contribution (NDC) to this goal. In order to achieve the 1.5 °C goal, global greenhouse gas emissions need to be reduced by 45% by 2030 relative to the 2010 level, and to net zero by the middle of the century. The [synthesis report](#), which takes into account all NDCs submitted so far estimates that the aggregate greenhouse gas emission level will in fact be 13.7% above the 2010 level in 2030. Continuing the COP analogy of a critically-ill patient, 1.5 may be alive and with a weak pulse; however, it is also currently unresponsive.

In light of this huge gap, all Parties must now re-visit, strengthen and re-submit their NDCs prior to COP27, taking into account different national circumstances and the need for a just transition. An updated synthesis report will be prepared for and considered at COP27.

Adaptation

Adaptation is a series of changes to processes, practices and structures in response to our changing climate. Work on adaptation acknowledges that our climate is already changing and will continue to change, and seeks to reduce potential damages and benefit from any opportunities.

COP26 saw a big push on adaptation progress and all Parties were urged to further integrate adaptation into local, national and regional planning. The Glasgow Pact called on all Parties that had not yet done so to have submitted their adaptation communications ahead of COP27, so as to provide timely input into the global stocktake to take place in 2023. It was recognised that further research is required on the understanding of global, regional and local impacts of climate change, response options and adaptation needs.

Importantly, COP26 launched the [Glasgow-Sharm el-Sheikh work programme on adaptation](#). The Paris Agreement established the global goal on adaptation (GGA) of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal. The two-year programme is in progress and has seven interconnected aims which seek to establish a good understanding of the GGA, what the metrics are and how they are measured and monitored, and to enhance the planning and delivery processes especially through the multinational sharing and communicating of common methodologies. Contributions to this process and high-level meetings are in progress and are expected to extend throughout the Egyptian presidency of COP.

Climate finance

Climate finance is public, private and alternative sources of financing that supports climate change mitigation and adaptation. The Paris Agreement included a pledge by developed countries to provide US\$100 billion per year by 2020 for climate action in developing countries. This is expected to fund mitigation and adaptation measures.

Tracking and measuring global climate finance flows is complicated. First of all, the Agreement didn't set out how to measure each country's pledges. Different organisations disagree on how to value different types of funding, such as loans and grants, and on how to report and classify different projects such as infrastructure. There is similarly no collective agreement on how to establish what is a 'fair national share', how and whether the calculation takes into account wealth, past emissions or population.

However the calculation is prepared, what was agreed at COP26 is that climate finance falls short in several respects, and the full US\$100 billion has not been mobilised. Further, it was agreed that even if it were, it would fall woefully short of the actual funding that is projected to be required each year to keep to the 1.5 °C target and to prevent vast areas of the globe becoming practically uninhabitable. The [Climate Finance Delivery Plan](#) was published just before COP26 and delivery against this will no doubt be discussed at COP27.

Most climate finance goes towards mitigation rather than adaptation. Private finance flows more easily to mitigation measures, such as renewable energy infrastructure or low-emission vehicles, which provide acceptably dependable returns on an investment. In contrast, adaptation measures are more likely to be publicly funded. Adaptation measures, such as natural and artificial flood defences and planting soil-stabilising crops are harder to value and measure if implemented

before disaster strikes, and may not offer the returns that investors are seeking. Thus bypassed by commercial finance, adaptation measures are often funded after a disaster event and tend to fall into the category of international aid. In human and financial terms, adaptation very obviously is far more costly after an extreme event caused by climate change, or after long periods of chronic decline. However, the current structures of international finance continue to place barriers on the flow of the much-needed funds to projects in locations where they might prevent disaster. The Glasgow Climate Pact noted that adaptation funding needed to be both adequate and predictable, and at least doubled in value from 2019 levels by 2025. The debate on how to deliver this continues.

Collaboration

One of the reasons for perceived slow progress in negotiations and outcomes is also the core strength of the COP process – the consensus-based nature of the negotiations and agreements. A wide diversity of groups is present at the talks, with representation and participation from all stakeholders required before agreements can be signed. While this means that progress is incremental rather than radical, critically, the outcomes are collaborative.

The Egyptian Presidency of COP27 has reaffirmed that humans must be at the centre of climate talks, especially those who are most vulnerable to the effects of climate change.

Hot topics

Coal and inefficient fossil fuel subsidies

The conversation around coal will continue to be a key topic, and if anything positions on both sides may have hardened. At COP26, the pledge to 'phase out' coal was replaced at the eleventh hour, after much lobbying by the coal industry and users, with 'phase down'. This was disappointing enough at the time to those arguing for coal to be phased out completely, and who may have thought that they were nearly there. However, with the current energy crisis putting unforeseen pressure on energy supplies, its lobbyists will see the case for coal as being firmly back on the table.

Also within the Glasgow Climate Pact was the call upon Parties to phase out inefficient fossil fuel subsidies while targeting support to those who will be affected by the ensuing price increases. Again, the current restrictions of energy supply mean that many countries are struggling to understand how to deliver affordable energy to their populations at all, never mind how efficient or otherwise any subsidies are. While in theory this presents an opportunity to make swift and positive changes to markets, in practice the question is so pressing that the timescales may force compromises. How this debate will play out in Egypt remains to be seen, but the outcomes could have long-lasting repercussions.

Carbon markets and offset schemes

COP26 made considerable progress on the carbon trading rulebook, introduced under Article 6 of the Paris Agreement. Carbon trading enables countries and businesses to look outside their borders for opportunities to purchase offsets for their emissions. The general principle of this mechanism is contentious as some commentators say that it provides a permit for some to pollute and may ultimately undermine other efforts to decarbonise. On the other hand, it can be a useful mechanism for facilitating investment in emissions-reductions technology, so long as the counterfactual is that technology would definitely not have come on stream without the carbon trading framework. Beyond the general principles there remains considerable debate on the mechanism for the trades. COP26 in theory removed issues around double counting (where one country counts an emissions reduction in its own carbon accounts and simultaneously sells it to another for theirs). Nonetheless, the many knotty issues around the detail of delivery will be subject to discussion for some time, as the structures and rules evolve and the market for the trades continues to heat up.

Loss and damage funding

Alongside the general theme of climate finance is that of loss and damage funding. The most vulnerable countries are calling on the greatest emitters to establish a fund to pay for losses and irreversible damages caused by climate change. Their case is clearly articulated, and they are morally supported by parallel legal actions being brought around the world against large companies by environmental advocates seeking damage reparations. In Glasgow, while loss and damage was referenced in the documentation, discussion around the explicit notion and recognition of historical responsibilities was effectively kicked into the long grass. After a further 12 months of extreme and devastating weather events around the world including in some of the poorest countries, we can expect it to re-emerge with some force at Sharm el-Sheikh.

What does IEMA want to see COP27 achieve?

IEMA seeks climate leadership at all levels, and our members and partners are focused on enabling the redirection of the economy and society away from a 'business as usual' approach and towards the transformative change that is required to tackle extreme climate change and build resilience to the changes already experienced. We work collaboratively with one another to share best practice on these critical challenges. With almost 19,000 members and partners, our capabilities for leading-edge knowledge exchange means that we are well placed to support in elaborating on the detail and then delivering on the high-level measures agreed at COP27.

IEMA wants to see real progress at COP27 on all the key themes as outlined in this explainer. Programmes and pledges need to move from the drawing board to delivery, turning ambition into action. On mitigation, we want to see all NDCs adding up to no more than a 1.5 °C rise above pre-industrial levels. This will require considerable commitments from participants. We're also looking for absolute commitments to phase out the use of fossil fuels and for progress on the rules around carbon markets and offset schemes. Progress on adaptation plans must continue at the pace being set by the Glasgow Sharm el-Sheikh work programme, and these plans must lead to on-the-ground delivery of projects.

Sensible debate on climate finance flows needs to happen because delays to delivery of mitigation and adaptation projects simply serve to increase future human and financial costs.

For all topics, our members seek absolute and unambiguous clarity on rulebooks, and transparency and accountability of action. Policy confidence at national and international level across a range of organisational drivers (including regulation, fiscal measures, trading schemes, guidance, standards, and supply chains) is key. This will unlock the necessary investment that is required for the deep changes that need to be made.

Addressing the immediate energy crisis will be a delicate matter. A purely economic approach would call for zero changes to the current fossil fuel infrastructure, an acceptance of a contraction in supply and instead a huge push on delivery of renewable energy and energy efficiency measures, but this ignores the immediate humanitarian costs at stake. Without a doubt, this is the moment to make a once-in-a-generation and absolutely radical change to the way that energy efficiency and usage is progressed in areas where it is currently stagnating, such as in buildings and in transport. It is also the moment to invest even more heavily in renewable energy and to accelerate the phase out of unabated fossil fuels. In the meantime, we cannot allow the most vulnerable in society to starve, freeze or over-heat because of an interim contraction in energy supply and associated price rises coupled with the inevitable lead times for upskilling and manufacturing this transition. The two issues can and should be addressed as two sides of the same coin. IEMA calls for governments and decision-makers around the world to deliver the leadership at all levels required to act on this wake-up call.

As the UK hands over to Egypt as the host nation, IEMA calls on the UK government to create and retain world-leading environmental standards and regulations, along with the essential capacity to enforce these rules.

Further Information

For more information from IEMA, the professional membership body for environment and sustainability, please contact:

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About IEMA

IEMA is the professional body for everyone working in environment and sustainability. We're committed to supporting, encouraging and improving the confidence and performance, profile and recognition of all these professionals. We do this by providing resources and tools, research and knowledge sharing along with high-quality formal training and qualifications to meet the real-world needs of members from their first steps on the career ladder, right to the very top. We believe that together we can change perceptions and attitudes about the relevance and vital importance of sustainability as a progressive force for good. Together we're transforming the world to sustainability.

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