COP27
Sharm el-Sheikh

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Success on Loss and Damage, and a flurry of new initiatives

HIGHLIGHTS

- **The 27th Conference of the Parties to the UNFCCC, coined the "implementation COP" by the Egyptian Presidency, made history as the second most-attended Conference of the Parties ever.** Negotiators and observers convened in an extremely challenging context marked by a global energy crisis and heavy criticism of the host country's track record on human rights.

- **The main breakthrough from the negotiations came in the form of a decision to set up a fund for loss and damage resulting from climate change, a major victory for developing countries and great success for the Egyptian Presidency.** While the technicalities of the fund remain to be decided, including who will pay and to whom, this landmark decision has been hailed as historical by most Parties and observers.

- **The interests of developing countries were at the forefront of the negotiations on climate finance, with the Sharm el-Sheikh cover decision urging developed nations, once again, to meet their USD 100 billion pledge, and insisting that future commitments should speak of trillions, not just billions.** The Parties reiterated that the on-going discussions on the new collective quantified goal on climate finance need to consider the needs and priorities of developing countries.

- **On carbon markets and Article 6 of the Paris Agreement, COP27 took the minimum decisions needed to further enable Article 6.2 transactions, while some progress was made in operationalizing the Article 6.4 mechanism.** However, negotiations continue to progress at an uncomfortably slow speed relative to the need for urgent climate action. The first issuance under the Article 6.4 mechanism is expected to take place in the second half of 2024 at the earliest, with much work remaining to be done.

- **Outside of the formal negotiations, several initiatives ensured follow-up on announcements made at COP26, most notably around forest-related targets and clean technologies.** They also highlight concerns of the most vulnerable nations and draw attention on the need for robust carbon markets that benefit developing countries.

AN "IMPLEMENTATION CONFERENCE" IN THE FACE OF GLOBAL CHALLENGES

The 27th session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP27) convened in Sharm el-Sheikh, Egypt, in a context of colliding crises. The Russian invasion of Ukraine is disrupting global energy and food markets. Global inflation is on the rise, with many countries fearing economic recession. Climate talks between China and the United States came to an abrupt stop in August 2022, after tensions over Taiwan and Ukraine escalated between the world's two biggest polluters.

2022 was also marked by a series of catastrophic weather events worldwide, which painfully demonstrated the effects of climate change. Flooding across one third of Pakistan in August caused the deaths of over 1,700 people, the displacement of millions of others, and an estimated USD 30 billion in economic losses. The Horn of Africa is currently experiencing its most severe drought in decades, leaving the region on the brink of famine. Europe experienced an unprecedented heatwave in the summer, which is linked to the deaths of at least 15,000 people. Hurricane Ian in the United States is estimated to have caused between USD 50 and 65 billion of insured damages, making it the costliest weather event on record after Hurricane Katrina. These are only a few of the year's unprecedented weather events that loomed over COP27.

The Egyptian Presidency faced criticism before the summit even started. Many people questioned the choice of Egypt as a host, a state infamous for repression of political opponents and environmental groups and the African continent's second largest gas producer. The official COP27 mobile app developed by the Egyptian government also drew criticism – Amnesty International warned against its inherent surveillance capabilities (using the app required giving access to the user's passport number, location data, camera, microphone, and Bluetooth). Many also criticized the inflated prices at resorts in Sharm el-Sheikh, which threatened the participation of observers from civil society and delegates from the Global South.

Against this backdrop, the Egyptian Presidency hosted an African "Implementation COP", focused on concrete action with special attention to the needs of developing countries. Egypt intended COP27 to be about the "full and faithful implementation" of climate promises made in recent years, especially of "all the provisions of the Paris Agreement" (in the words of COP27 president Sameh Shoukry). The COP27 cover decision, or Sharm el-Sheikh Implementation Plan (Decision -/CP.27), nevertheless failed to go beyond the Glasgow Climate Pact on decarbonization, once more recycling language on 1.5°C and failing to endorse a call for all fossil fuels to be phased down (not just coal, as agreed in Glasgow), in spite of growing support from about 80 countries including the United States and the EU.

The biggest official success of COP27 was the agreement on new funding arrangements for countries that suffer from loss and damage linked to adverse climate events. For three decades, developing countries have repeatedly demanded loss and damage funding – to no avail, until Sharm el-Sheikh. The Sharm el-Sheikh Implementation Plan also makes history as the first ever COP cover decision to mention the terms "food", "nature-based solutions", and "tipping points".

The official negotiations were flanked by a multitude of announcements, declarations and new initiatives. While negotiators met in calm spaces reserved for official COP business, the majority of COP attendees spent their days in the effervescent and tumultuous observer zone. Country delegates, civil society and business representatives, youth speakers, and indigenous leaders advocated for their concerns and activities. Out of this negotiating turmoil emerged agreements for companies to clean up their supply chains and mobilize finance and for governments to turn forest commitments into reality, support sustainable food systems, and accelerate clean technology deployment. Though the impact of these pledges remains to be seen, they are worth celebrating as climate change mitigation probably depends more on success of company and government than on the official outcome of COP27.

LOSS AND DAMAGE

The topic of loss and damage has been a long-standing concern for developing countries, especially those most vulnerable to the effects of climate change. Lower income countries have long argued that the most developed nations – which built their wealth through cutting forests and burning fossil fuels and are responsible for emitting half of the world's emissions since 1850, should compensate for irreversible losses of income, culture, biodiversity, and lives caused by climate change.

In 2013, Parties established the Warsaw International Mechanism for Loss and Damage, a body intended to strengthen cooperation and action on loss and damage among stakeholders. The Paris Agreement then recognized "the importance of averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events" and reaffirmed that the Parties should enhance their "understanding, action and support" through the Warsaw International Mechanism for Loss and Damage. At COP25, the Parties established the Santiago Network on Loss and Damage, which aimed to provide technical assistance to support the minimization of loss and damage.

In Glasgow, proponents of the creation of a specific "loss and damage finance facility" were unsuccessful in building consensus for such a solution. Developed countries feared that providing such funding could be construed as acknowledgement on their part of some form of legal liability regarding the effects of climate change, which could lead to an influx of compensation claims for climate-related damages against the world's wealthiest nations. The United States and the European Union notably opposed the proposition at COP26, and instead the Parties established a two-year 'Glasgow Dialogue' to discuss potential future arrangements.

At COP27, the issue of loss and damage was of paramount political importance for the Egyptian Presidency. Climate change-related disasters in 2022 fuelled criticism of developed countries' reluctance to help the most vulnerable countries. For the first time in the history of COPs, a COP Presidency successfully included "funding arrangements responding to loss and damage" in the COP27 agenda. While developed countries had entered the negotiations stating that they were open to discussions on the matter, the second week showed a clear divide between developed and developing countries, as the United States, the EU, Canada, Norway, and the UK all opposed the creation of a new fund.

By the end of the COP, the Parties managed to find a compromise and agreed on funding arrangements for responding to loss and damage associated with the adverse effects of climate change (Decision -/CP.27 -/CMA.4). While the Parties agreed in principle to fund compensation for loss and damage, the operationalization of these new "funding arrangements" will only be adopted at COP28, based on the recommendations made by a Transitional Committee comprised of representatives of both developed and developing countries. The future institutional arrangements, sources of funding, and conditions for eligibility of developing countries to access these new resources are therefore still uncertain – and will no doubt be a topic of intense discussions in the coming year.

FINANCE

Climate finance was once again one of the key topics of the negotiations at COP27. In 2009, the wealthiest countries pledged to mobilize USD 100 billion per year by 2020 to help lower-income nations fund mitigation and adaptation projects, a commitment that they have failed to achieve 12 years later. According to OECD data, the 2020 goal was missed by approximately USD 16.7 billion. Acknowledging this gap, the Parties at COP26 requested the UNFCCC Standing Committee on Finance (SCF) to prepare a report in 2022 on progress towards achieving this goal, which fed into the negotiations in Sharm el-Sheikh.

The Sharm el-Sheikh Implementation Plan, as well as Decision CP.27 on long-term climate finance, reiterated that the 2009 pledge has not been achieved and urged developed countries to fulfil their commitment. The COP27 cover decision also stressed that the investment needs of developing countries were much higher than the aggregate amounts of finance committed by developed countries, emphasizing:

- that "a global transformation to a low-carbon economy is expected to require investment of at least USD 4-6 trillion per year" (para. 30);
- that "the growing gap between the needs of developing country Parties, in particular those due to the increasing impacts of climate change and their increased indebtedness, and the support provided and mobilized for their efforts to implement their nationally determined contributions, highlighting that such needs are currently estimated at USD 5.8–5.9 trillion for the pre-2030 period" (para. 32);
- that "global climate finance flows are small relative to the overall needs of developing countries, with such flows in 2019–2020 estimated to be USD 803 billion, which is 31–32 per cent of the annual investment needed to keep the global temperature rise well below 2 °C or at 1.5 °C, and also below what would be expected in the light of the investment opportunities identified and the cost of failure to meet climate stabilization targets" (para. 35).

Developing countries hope that these concerns will be reflected in the work conducted by the COP serving as meeting of the parties of the Paris Agreement (CMA) in designing and setting the new collective quantified goal on climate finance. The new goal must be determined before 2025 and will replace the USD 100 billion per year goal. As of today, four technical expert dialogues have been held on the topic, including one during COP27, but no language was included in the COP27 cover decision in that regard. Decision CMA.4 on the new collective quantified goal on climate finance however stressed the need for "substantive progress" in the deliberations, affirmed that such deliberations would need to "take into account the needs and priorities of developing countries," and requested the co-chairs to publish a workplan by March 2023.

The Sharm el-Sheikh Implementation Plan also suggests reforming the international financial system. Reflecting the goals of the Bridgetown Initiative, the Plan calls on multilateral development banks and international financial institutions to "define a new vision and commensurate operational model, channels and instruments that are fit for the purpose of adequately addressing the global climate emergency, including deploying a full suite of instruments, from grants to guarantees and non-debt instruments, taking into account debt burdens, and to address risk appetite, with a view to substantially increasing climate finance." This mention of debt burdens reflects the focus on developing countries at COP27. The call for reform also indicates that Parties want the international financial system and institutions to take a more active role in climate finance. Similarly, the loss and damage agreement invites the World Bank Group and the International Monetary Fund to "consider […] the potential for such institutions to contribute to funding arrangements, including new and innovative approaches, responding to loss and damage associated with the adverse effects of climate change."

NEGOTIATIONS ON ARTICLE 6 GO ON, AND ON, AND ON…

Following COP26, where the Parties finally agreed on the "Article 6 rulebook" after years of negotiations, COP27 set out to adopt detailed rules for the implementation of Article 6 of the Paris Agreement. Tangible progress was achieved in Sharm el-Sheikh around Article 6.4, which is structurally similar to the Kyoto Protocol's Clean Development Mechanism (CDM). In comparison, little progress was achieved on operationalizing the transfer and accounting structure of Article 6.2. It is expected that the set-up of the Article 6.2 reporting and tracking infrastructure and the readiness of the Article 6.4 Supervisory Body to register activities will be completed in the second half of 2024 at the earliest.

Cooperative approaches under Article 6.2

The market mechanisms formulated under Article 6 of the Paris Agreement hinge on the successful implementation of the Article 6.2 infrastructure. The operationalization of Article 6.2 enables the transfer of Internationally Transferable Mitigation Outcomes (ITMOs) and the accounting of Article 6.4

mitigation benefits (A6.4ERs), including the registering of any corresponding adjustments. The market transactions enabled by Article 6 can therefore only be operational if the processes defined under Article 6.2 are implemented. Inching towards finalizing the implementation framework of Article 6, COP27 issued design guidance in Decision -/CMA.4 on matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.

Key outcomes

- Reporting outlines (incl. initial report, annual reporting, and regular information)
- Tracking and infrastructure (registries, database, and Central Accounting and Reporting Platform, CARP)
- Guidelines, outlines, and training program for technical expert reviews

Parties participating in cooperative approaches under Article 6.2 must have put in place, or have access to, an international registry. Parties at COP27 agreed on initial infrastructure for an international registry that meets minimum requirements to enable transactions. The decision requires the UNFCCC Secretariat to develop a test version of the Centralised Accounting and Reporting Platform (CARP) and the Article 6 database by June 2024, and to develop an interim solution for the submission of information by January 2023. However, other Article 6.2 issues remain unresolved and have been deferred to future rounds of negotiations.

COP27 also established a forum that will facilitate technical discussions on Article 6.2. Unlike Article 6.4, which is overseen by a UN-administered Supervisory Body, Article 6.2 cannot count on centralized administration and leaves most of the implementation details of cooperative approaches to national governments. This recognizes governments' sovereignty in structuring mitigation projects, programs, and partnerships, but leaves them without a forum for discussion, joint learning and sharing of experiences. In response to this absence, parties established a new technical forum that will serve as an exchange platform for Article 6 registry administrators and technical experts.

Parties agreed on review processes to ensure consistency of data submitted under Article 6, but concerns remain about inconsistencies, inadequacies, and confidentiality in the information provided by the Parties. Trusting that recurring inconsistencies would be noted in the CARP, it was agreed that Parties may designate information to the review team as confidential. However, the decision text states that Parties should provide the basis for confidentiality. It will be important to strike a balance regarding the scope of confidentiality to avoid undermining the integrity, transparency, and credibility of Article 6.2.

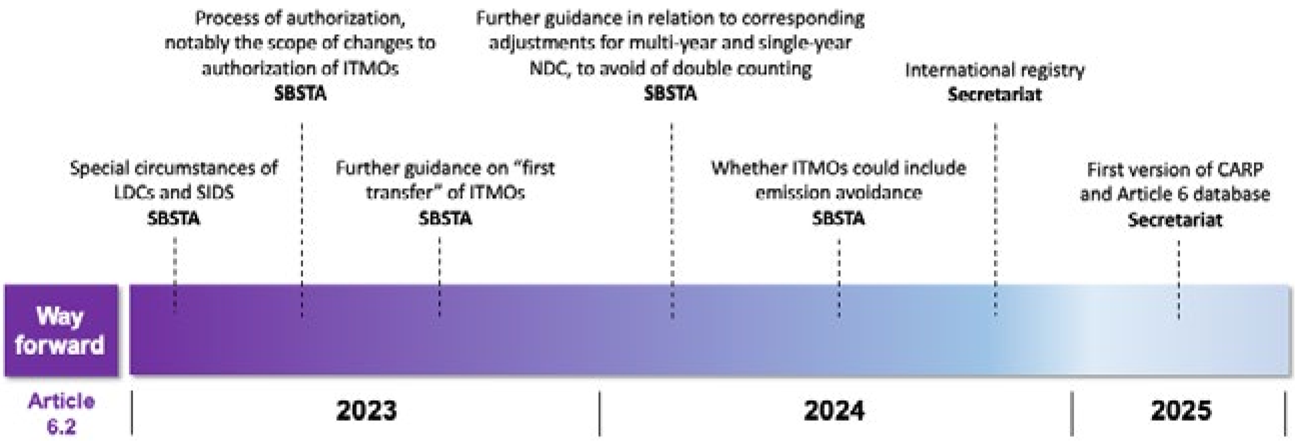

Figure 1: Way forward for Article 6.2. Note: The order of items does not indicate their priority, but only the year when they will be addressed by the responsible body. The Subsidiary Body for Scientific and Technological Advice (SBSTA) supports the work of the COP and CMA through the provision of scientific and technological information related to the UNFCCC, Paris Agreement, and associated decisions.

Parties agreed to adopt initial and annual reporting outlines. First, they agreed to adopt an initial reporting outline for the Biennial Transparency Reports (BTR) annex, which includes information on collaborative approaches between countries. Second, the Parties adopted a draft version of the agreed electronic format (AEF) for annual submissions to the Article 6 database. The aims of the BTR and AEF reporting outlines are to increase and ensure transparency of Article 6 operations. Since there was contention over the exact requirements of the AEF and the guidelines provided by the BTR, draft versions were adopted that will be tested and improved.

The mechanism established under Article 6.4

COP27 Decision -/CMA.4 provides guidance on the implementation of the rules, modalities, and procedures for Article 6.4. The CMA adopted the rules and procedures of the Article 6.4 Supervisory Body and operationalized the Share of Proceeds (SOP) that supports adaptation measures in developing countries. Parties also decided on the details for cancellation of A6.4ERs.

Key outcomes

- Renaming of “non-authorised A6.4ERs” with “mitigation contribution A6.4ERs”
- Guidance on Corresponding Adjustments for SOP and OMGE
- Mandates to SB on CDM transition
- Detailed rules on Share of Proceeds
- Detailed rules on mandatory and voluntary cancellation of A6.4ERs

Info box: Debate on emissions avoidance

The ‘avoidance’ of greenhouse gas (GHG) emissions in the context of Article 6 refers to the prevention of uncesessary emissions that will not generated because of long-term decarbonization activities by (developing) countries. Examples for avoidance projects are those that seek to conserve forests in the long term or prevent emissions from fossil fuels through changed economic practices. In contrast to emission reductions, emissions avoidance cannot be measured against short-term baselines. Avoided GHG emissions, where long-term assumptions are made about how an investment could lead to future GHG emissions being avoided do not qualify under Article 6.2 or 6.4 Paris Agreement. Emission removals (e.g. through afforestation/reforestation) are eligible under Article 6.2/6.4 but it remains controversial whether removals through emissions avoidance, for example through conservation enhancements, can be included.

Parties agreed to label A6.4Ers without corresponding adjustments as “mitigation contribution A6.4ERs.” Mitigation contribution A6.4ERs are mitigation outcomes under Article 6 that can be transferred to an entity outside of the host country while the underlying mitigation continues to count against the host country’s nationally determined contribution (NDC). Changing the name of non-authorized A4.6Ers to mitigation contribution A6.4ERs integrates terminology used in the context of voluntary carbon markets into official UNFCCC jargon. Mitigation contributions are often understood as units generated in carbon markets that should not be used to offset emissions. While the CMA decision does not refer to voluntary markets, it clarifies that mitigation contribution A4.6ERs can “be used, inter alia, for results-based climate finance, domestic mitigation pricing schemes, or domestic price-based measures, for the purpose of contributing to the reduction of emission levels in the host Party.” The Parties also agreed all A6.4ERs that are not authorized are exempted from corresponding adjustments, including if no authorization was provided for A6.4ERs for the portion that is SOP and Overall Mitigation of Global Emissions (OMGE).

For many Parties, the transition from the CDM to Article 6.4 remains an important agenda item. However, that issue was not addressed by the Supervisory Body, fueling criticism from concerned Article 6.4 negotiators that progress on operationalizing the CDM transition is not fast enough. The COP27 Article 6.4 decision contains a clear mandate for the Supervisory Body to i) provide further guidance on the procedure for requesting the transition of activities from the CDM by June 2023, and ii) develop and operationalize the transition process.

Even though Article 6.4 is more straightforward for most negotiators than Article 6.2, it became clear that ironing out the implementation details of Article 6.4 will take more time. Parties were unable to finalize negotiations on the details of the authorization of A6.4ERs (e.g., timing, information, and revisions) and the decision on national arrangements for the mechanism was postponed to upcoming SBSTA meetings. Similarly, decisions on whether emission avoidance and conservation enhancement activities are covered by Article 6.4 and which role emission removals should play (cf. info box) are still pending. Finally, negotiators could not agree on principles that should guide the methodologies of the Article 6.4 mechanism. These delays are unfortunate for countries that would like to participate in the new market mechanism but, considering that market demand for Article 6.4 credits remains uncertain, their overall impact on mitigation ambition may be limited.

GLOBAL GOAL ON ADAPTATION

Although adaptation seemed to take a backseat to other issues at COP27, the two-year Glasgow-Sharm el-Sheikh work programme succeeded in developing a framework to achieve the Global Goal on Adaptation established by Article 7.1 of the Paris Agreement. The Sharm el-Sheikh Implementation Plan also took note of the Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report (published in 2022) and expressed the Parties' concern over the "existing gap between current levels of adaptation and levels needed to respond to the adverse effect of climate change." It urged developed countries to scale up their provision of climate finance, technology transfer, and capacity-building for adaptation.

The framework of the Global Goal on Adaptation set out in Decision -/CMA.4 will be refined through the work conducted in the remaining workshops planned for 2023 and is intended to be adopted at COP28. To define appropriate targets and metrics, the work programme based its recommendations on the Sixth Assessment Report of the IPCC on climate impacts and adaptation and structured the framework according to categories of IPCC-informed indicators. These include, inter alia, dimensions such as impact assessments, finance or capacity-building; themes such as water, or food and agriculture; cross-cutting considerations such as taking into account vulnerable groups, communities and ecosystems; and science-based indicators.

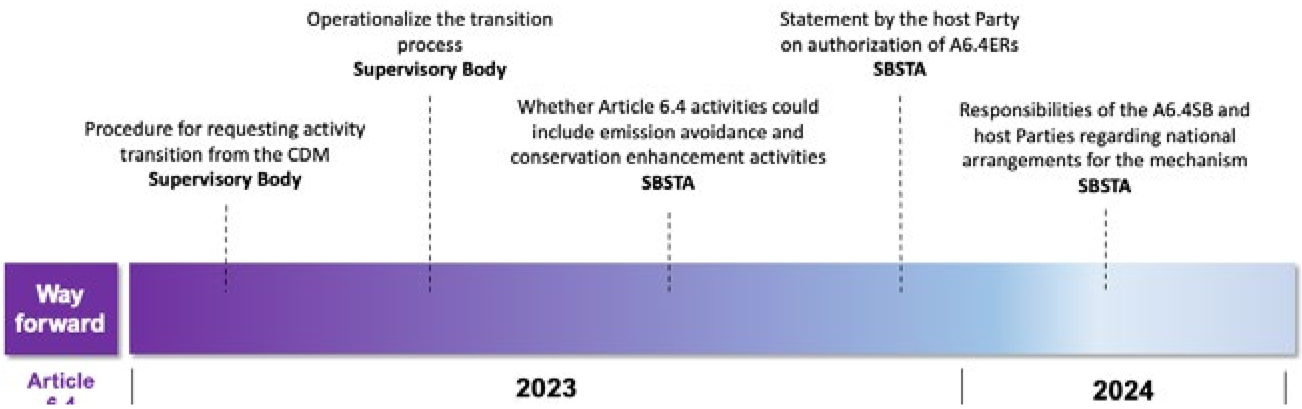

Figure 2: Outlook way forward Article 6.4 (Note: The order of items does not indicate their priority, but only the year when they will be addressed by the responsible body).

OUTSIDE OF THE NEGOTIATION ROOMS

The snail's pace of official negotiations stood in stark contrast to the buzzing activity in the informal zones of the COP. Countless events were competing for the attention of participants, and it is hard to decide on the most noteworthy announcements, as effectiveness and impact remain to be seen. In the following months, Climate Focus will monitor whether announcements on carbon markets, nature-based solutions and broader decarbonization initiatives mentioned below were worthy of the space granted in this brief.

There were several initiatives announced on carbon markets, received with both fanfare and criticism. US Climate Envoy John Kerry announced the "Energy Transition Accelerator" (ETA), a government partnership with the Bezos Foundation and the Rockefeller Foundation. This mechanism allows companies to buy carbon credits "to retire unabated coal fired power" and fund renewable energy projects in developing countries. Only companies with net-zero goals and science-based targets can purchase these emission reductions and they can be used to supplement, not substitute for, a company's own emissions reductions. Kerry's statement indicated interest from many companies and from some countries (Chile, Nigeria). However, the announcement has also raised concerns about greenwashing and the overall GHG emission reduction impact of this initiative.

Several African countries expressed their interest in accessing carbon markets to achieve their climate and sustainable development goals. The African Carbon Market Initiative (ACMI) was launched at COP27. ACMI is has bold ambitions for the continent to produce 300 million credits yearly by 2030. By 2050, ACMI is targeting over 1.5 billion credits produced yearly in Africa, leveraging over USD 120 billion and supporting over 110 million jobs. Multiple African nations, including Kenya, Malawi, Gabon, Nigeria and Togo, shared their commitment to collaborating with ACMI to scale carbon credit production via voluntary carbon market activation plans.

Global North countries and donors' forest pledges

The EU signed five Memoranda of Understanding for Forest Partnerships with Guyana, Mongolia, Republic of Congo, Uganda, and Zambia, aimed at reversing deforestation in supported countries and consequently enhancing climate and biodiversity protection.

France announced the Positive Conservation Partnerships, a new initiative to protect areas high in "carbon and biodiversity" such as ancient forests, peat bogs, or mangroves. The initiative will offer political and financial contracts to the States that host vital carbon and biodiversity reserves, allowing them to guarantee their conservation. Costa Rica will play a key role, while Colombia, Gabon, and the Philippines have expressed willingness to engage in these Partnerships.

The establishment of a new collaborative of philanthropic donors called "Forests, People, Climate" (FPC), was announced to raise another USD 1.2 billion over the next five years to safeguard forests and support Indigenous peoples and local communities stewarding them.

The Republic of Korea joined the governments of the UK, US, and Norway in backing the LEAF Coalition, a private-public initiative to finance jurisdictional emission reductions and removals from forests. The Coalition announced a 100% increase in financial commitments (USD 1.5 billion) from the private sector for forest emissions reductions credits since COP26. Three forest countries – Ecuador, Costa Rica, and Nepal – have signed memorandums of agreement (MOAs) with Emergent, the LEAF Secretariat. These MOAs set out roadmap for the signing of binding Emissions Reduction Purchase Agreements by April 2023.

The UN Secretary General's High Level Expert Group on Net-Zero Commitments weighed in alongside other initiatives in 2022 to provide guidance on high-integrity carbon markets. The Group published a report at COP27 to serve as a how-to guide to ensure credible, accountable net-zero pledges by industry, financial institutions, cities and regions.

COP27 also saw a flurry of nature and forest-related announcements. Most notably, a group of 26 countries committed to the Forests and Climate Leaders' Partnership (FCLP) and agreed to meet twice yearly to track public commitments on efforts to stop and reverse forest loss by 2030. This partnership builds on the momentum around the Glasgow Leaders' Declaration for Forests and strives to drive action by countries. Co-chaired by the US and Ghana, member countries will commit to being leaders in at least one of the FCLP's action areas. Within each action area, the FCLP will support, lead, establish or showcase, as appropriate, one or more initiatives as the principal mechanism to scale and drive delivery.

Though signed just before COP27, Brazil, Indonesia and the Democratic Republic of Congo's pact on halting deforestation received a lot of attention at the conference. Dubbed the "OPEC of Rainforests," the three countries plan to negotiate a new sustainable funding mechanism to help countries preserve biodiversity and to increase funding through the UNREDD+ programme.

IUCN and the COP27 Presidency launched Enhancing Nature-based Solutions for Climate Transformation (ENACT). ENACT will serve as a hub for government and non-state actors to foster collaboration and ensure adherence to the NbS Global Standard. The initiative will produce an annual State of Nature-based Solutions report to update COP28 and subsequent meetings. As an essential nature-based solution, the Mangrove Breakthrough was launched by the Global Mangrove Alliance and the UN Climate Change High-Level Champions. It aims to channel finance to protect and restore 15 million hectares of mangroves globally by 2030.

For the first time in COP history, there was a spotlight on food systems. A full day was dedicated to food, farming, and food system transformation at COP27. With food systems responsible for nearly a third of global GHG emissions, the world is confronted with the challenge on how to feed current and future generations sustainably while achieving climate goals. Several initiatives were launched at COP27 in relation to food system transformation. The Egyptian COP27 Presidency and the Food and Agriculture Organization jointly launched a multistakeholder Food and Agriculture for Sustainable Transformation Initiative (FAST), which aims to increase climate finance towards food systems by 2030. COP28 host the UAE and the USA launched the Agricultural Innovation Mission for Climate (AIM4C) an initiative to boost investments in climate-smart agriculture and food system innovation over five years, for about USD 8 billion. COP27 also saw the launch of various producer and supplier sustainable commodity initiatives. Ten countries in Africa committed to the Africa Sustainable Commodities Initiative, which expands from the original focus on palm oil to a set of principles that cover key commodities in the region, and agri-businesses launched the Agriculture Sector Roadmap to 1.5°C at COP27, which represents a shared, sector-wide plan for addressing deforestation in supply chains.

Several initiatives are aimed at addressing climate risks, particularly in frontline countries. In light of a year of terrifying disasters and extreme weather linked to climate change, the UN Secretary General launched a USD 3.1 billion plan for early warning systems globally. The plan aims to ensure that everyone on the planet is protected by such a system by 2027. With a five-fold increase in the number of recorded disasters globally, such an investment can avoid losses and damages of USD 3-16 billion per year, according to the Global Commission on Adaptation. In the same vein, 85 insurers in Africa established the African Climate Risk Facility (ACRF) and pledged to provide USD 14 billion of cover to help countries in the region to confront climate disaster risks. The group is calling for USD 900 million in funding from donors to support the project, much of which will go towards giving subsidy on the premium cost to help governments pay for insurance cover. Financing partners of AFR100, an initiative to restore 100 million hectares in the African continent, have established The African Restoration Fund, a USD 2 billion blended finance mechanism that will build local capacity and provide grants and loans for local communities and entrepreneurs restoring land in Africa.

While the phase out of fossil fuels in negotiations text proved elusive, there were several Initiatives aimed at tackling fossil fuels and related sectors. The Breakthrough Agenda is an international clean technology plan launched by a coalition of countries at COP26 to decarbonize five key emitting sectors (power, road transport, steel, hydrogen, agriculture), representing 50% of global GDP. At COP27, countries agreed to a package of 28 Priority Actions to decarbonize the power, road transport, steel, hydrogen, and agriculture sectors in line with the goals of the Paris Agreement. A note-worthy civil society effort on fossil fuels is the Fossil Fuel Non-Proliferation Treaty Initiative, which aims to drive fossil fuel phase-out through an international treaty.

Just energy transition partnerships (JETPs) were introduced at COP26 to help fossil fuel-dependent nations shift towards clean energy in a fair and equitable way. A JETP for Indonesia was announced in November 2022; it will mobilize USD 20 billion over the next 3-5 years to accelerate a just transition to renewable energy in the most populous southeast Asian country. The deal has been touted as the "single largest climate finance transaction ever." Just ahead of COP27, the South African cabinet approved the Just Energy Transition Investment Plan, which outlines investment needs and clear pathways for implementation. The South Africa JETP was launched at COP26 and totals USD 8.5 billion.

INTERPRETATION AND CONCLUDING THOUGHTS

Are COPs worth any notice? One cannot help but question the value of COPs. These annual conferences grow in size each year, while climate change accelerates and serious efforts to reduce emissions remain unconvincing. In 2022, countries took actions to address climate change, but few actions are transformational and few, if any, governments are brave enough to take science-aligned actions to reduce emissions and enhance resilience.

However, COPs remain the only global forum for almost all countries to discuss progress on climate policy and measures. As such, COPs fulfil the purpose of keeping climate concerns high on the public agenda and allow civil society to hold public and private policy makers accountable for their lack of decisive action. COPs also provide a platform for public and private actors to agree on implementation measures and launch initiatives.

COP27 helped to highlight concerns of developing countries around climate damages and the need for accelerated finance. It also saw renewed agreement to implement solutions that foster decarbonization and the conservation of ecosystems. It may be too little too late, but it is a step into the right direction.

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