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COP28: outcomes and implications

This briefing summarises the key debates, outcomes and policy implications from the 28th Conference of the Parties (COP), the annual negotiations among Parties to the United Nations Framework Convention on Climate Change.

Hosted this year in Dubai, UAE, headline outcomes include an agreement to "transition away" from fossil fuels (with some caveats), the creation of a new Loss and Damage Fund, and the adoption of a new framework for the Global Goal on Adaptation.

Headline outcomes

I. The Global Stocktake

The Global Stocktake (GST) – the first comprehensive assessment of progress since the 2015 Paris Agreement – has been the headline agenda item in the lead-up to COP28.

A "technical dialogue" working group has led the process of collecting and summarising data on current progress over the last year, and submitted an output report that Parties discussed in Dubai. Producing a final decision text that establishes the urgency and action needed from Parties to meet those goals under Paris was a key deliverable for the COP28 Presidency.

The GST sets out the directives for governments establishing their next round of Nationally Determined Contributions (NDCs) – plans for emissions mitigation and climate adaptation to ensure we do not surpass 2°C of global warming, and aiming for below 1.5°C.

A debate on fossil fuels was part of the GST process, with the potential to include some language around their "phasing out" or "phasing down" in the decision text.

The final text includes a number of historic steps but represents incremental rather than transformative progress that many Parties – especially the Alliance of Small Island States (AOSIS) negotiating bloc – and climate activists were pushing for.

In the final text Parties are *encouraged* to submit revised NDCs with "ambitious, economy-wide emission reduction targets, covering all greenhouse gases, sectors and categories and aligned with limiting global warming to 1.5°C, as informed by the latest science, in the light of different national circumstances" (Paragraph 39).

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The outcome of the fossil fuel debate in the language of the text is mixed: there is recognition of the need to "transition away from fossil fuels" but this is limited to energy systems and includes an additional paragraph on "transitional fuels".

The text also includes commitments to triple renewable energy, double energy efficiency, and reduce methane emissions (although without a clear target) by 2030. Language on coal phase-out was diluted from "rapidly phasing down" unabated coal with limits, to a more general "efforts towards phase-down". The text also includes discussion on the need for adaptation support, protection of nature and biodiversity, and relevant sectoral transformations needed, including in food systems.

Ultimately, although this decision includes important recognition of sectoral shifts needed, including on fossil fuels, it will be insufficient to stay below 1.5C of warming this century. While the GST includes valuable high-level decisions, the text includes many loopholes, and it remains to be seen how governments will incorporate these guidelines into their revised NDC submissions.

II. Climate finance – including a new Loss and Damage Fund

On the first day of COP28, Parties agreed to the creation of a new fund for Loss and Damage. This was celebrated as a major win for the COP Presidency and an auspicious start to the conference. A number of governments announced new contributions at the outset, while others made commitments to the Fund later in the week, with pledges totalling $770 million.

The new Loss and Damage Fund is a significant accomplishment considering the issue failed entirely during negotiations at COP26 in Glasgow just two years ago. While the decision was widely praised – with credit to AOSIS and the Least Developed Countries group (LDCs) for pushing this forward over decades – it has involved a number of significant concessions.

There are ongoing points of contention with the final agreement, which featured a compromise proposal for the Fund to be administered by the World Bank for an interim four-year period. These include:

1. The World Bank is mainly loan-based, donor driven and rarely provides the types of non-revenue generating grants that are needed to support loss and damage impacts.

2. Parties are encouraged, but not obligated, to contribute, and underlying questions of liability and compensation were entirely removed.

3. Who is considered a donor and who should be a recipient – and where do oil-producing States fall?

4. How Non-Economic Losses and Damages (NELD) will be considered for funding.

5. Where the Fund will sit long-term.

Developing country Parties have continuously emphasised that while the agreement on the Fund is an important step, ambitious action on emissions mitigation – including a phase-out of fossil fuels – should be the top priority to reduce the need for Loss and Damage support.

To that end, other Parties announced further climate finance support during Global Climate Finance Day, including pledges for the Least Developed Countries Fund and the Special Climate Change Fund (for SIDS) – both part of the Global Environment Facility (GEF) – for $174.2 million. The Adaptation Fund also received $160 million in new pledges, and the Green Climate Fund (GCF) received new contributions in the second replenishment cycle now totalling $12.8 billion.

Further ongoing finance discussions included the New Collective Quantified Goal on Climate Finance (NCQG). Parties began preparations to establish a new global finance target beyond 2025. This will be an important policy area for mobilising climate finance in the coming year, especially considering that the previous commitment from developed countries for $100 billion annually in climate finance is currently far below what was promised, with actual contributions at around $10 billion annually.

III. The Global Goal on Adaptation

Negotiations on the Global Goal on Adaptation (GGA) focused on the application of a proposed new framework for monitoring and measuring progress on efforts around the world to adapt to the impacts of a changing climate, which has been under discussion through the Glasgow-Sharm El Sheikh Work Programme (GLaSS).

Agreement on this framework for measurement was critical considering how difficult it is to standardise indicators and measure success around adaptation compared to the more straightforward targets of emissions reduction for mitigation.

The final decision established a framework for achieving the GGA to “enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change in the context of the temperature goal of the Agreement” established under the Paris Agreement. This framework includes measures to monitor and report on adaptation, as well as sectoral targets for 2030, including those related to health, water, and food supply. The text also recognises the importance of undertaking transformational adaptation that is informed by climate science and in line with the worldviews and values of Indigenous Peoples.

Despite the adoption of the framework, the final GGA text included only weak language on future finance commitments or how to monitor them. This will make it much more difficult for countries to ensure they can access the support needed to actually undertake transformational adaptation measures.

While new financing was announced on adaptation for a few different Funds, this still falls far below what is needed to address the global adaptation finance gap in developing countries, which UNEP estimates in its 2023 Adaptation Gap Report ranges from $215 billion to $387 billion.

Additionally, the ongoing need for more adaptation funding and potential for diplomatic pressure in this area was to some extent overshadowed by the early commitments to the new Loss and Damage Fund. Further discussions will continue on this finance component at COP29.

IV. Voluntary carbon markets (Article 6)

Negotiations continued around establishing a transparent framework for voluntary carbon markets under Articles 6 and 13 of the Paris Agreement, including one that avoids common problems with carbon offsetting, like double counting.

While Article 6 debates also continued late into the evening of 12 December, many issues remained unresolved by the end of COP. Discussions on a supervisory body for carbon markets and on accounting for carbon credits were ultimately postponed for next year's agenda, leaving an ongoing vacuum in transparency and reporting in carbon markets.

Implications

Ultimately, this year's COP included a number of high-level outcomes that could help drive more ambitious national policy in the transition away from fossil fuels, in climate finance contributions, and in support for adaptation.

However, these measures came at a cost, with much of the actual language on follow-through in these areas watered down by many "developed" and oil producing Parties.

Even where the UAE Presidency team initially pushed for stronger commitments – including in the language on fossil fuel phase-outs – the final decision text does not meet the goal of staying below 1.5°C. The process by the end of COP left many of the most vulnerable countries behind, especially when the COP President passed the decision text without allowing for comment, while the AOSIS bloc was not yet physically present in the room.

While this COP has produced some significant steps forward, the lack of specific commitments and pervasive loopholes mean it will be up to the Parties themselves to decide the extent to which these high-level agreements are embedded in national policy and in revised NDC submissions.

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About the author

Rachel Harrington-Abrams studies the negotiations and international institutions connected to the UNFCCC, particularly related to adaptation and loss and damage policy. She has attended COP26 in Glasgow, UK and COP27 in Sharm El Sheikh, Egypt as an observer for her PhD research.

She also coordinates and leads the King's College London delegations to COP. In this role, Rachel provides training for new COP delegates on the negotiations and how to navigate the COP process, as well as facilitating opportunities for those who attend COP to share their experiences with the King's community.

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