{ CLEARING THE AIR }

Navroz K Dubash

Look beyond COP for climate action

COP27 will be marked for the loss and damage fund and stalled steps on reducing greenhouse gas emissions. But the time has arrived to focus on what nations are doing at home, not global meets

Last week, the annual climate meetings, or COP27, concluded in Sharm El Sheikh, Egypt. The headline message was that the interests of the most vulnerable countries were advanced through big steps towards a loss and damage fund, but that steps toward advancing greenhouse gas emissions reductions were minimal. The first part of the message is notable, but the second half is more complex than is widely reported.

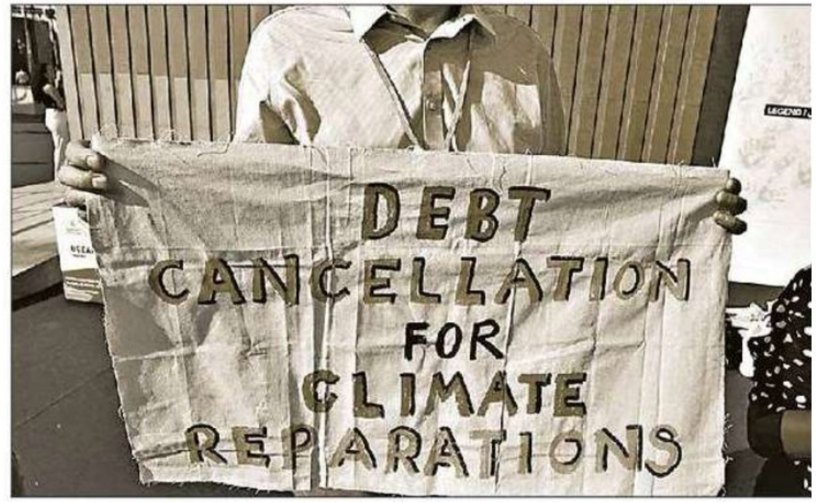
Vulnerable countries — particularly small island nations facing sea level rise — have long argued that when both mitigation (avoiding emissions) and adaptation (minimising impacts) fail, as they seem to have, they need support to face climate-induced losses and damages. Developed countries have deflected these demands for long, fearing questions of compensation or reparations. However, this year, the political support for loss and damage was overwhelming. Larger countries such as Pakistan, devastated by floods and backed by the entire developing country bloc, added their voice for a loss and damage fund. India, to its credit, also threw its weight firmly behind this issue.

The agreement is a victory of principle. It operationalises the idea that those who did little to cause the problem should not be left alone to bear the brunt of the climate impacts. But it also leaves several contentious operational issues open: Who should pay into the fund; on what basis will payments be made; who will decide, and so on. The agreement established processes to address these questions, but they will require intensive debate; the European Union (EU) has pointedly argued that large developing countries such as China should also pay. So, for the time being, vulnerable countries and advocates who support them are appropriately declaring victory, but with the awareness that actually ensuring money for loss and damage is a further struggle.

The second message that COP27 failed to advance mitigation comes from a perceived failure of the final decision texts to explicitly mention the benchmarks needed to hold temperature release to 1.5 degrees C. As argued by the EU, the United Kingdom and small island nation States, these include urging that global emissions peak by 2025 and enshrining concrete targets toward the 1.5 degrees C goal. Indeed, the final text had little trace of these benchmarks.

The political obstacles to such statements of ambition were intense. Many developing countries, including India, were concerned that such statements would further erode the differentiation between developed and developing nations that has been a political cornerstone of the climate agreement. The absence of progress on financial support for developing countries to accelerate a clean energy transition also undercuts any willingness to ramp up statements of intent. The hard reality, illuminated by modelling studies, is that limiting warming to 1.5 degrees C likely requires some developed countries to reduce emissions faster than they are currently doing and provision of substantially enhanced investment to developing countries, or developing countries limiting energy use from an already low level with negative development implications, or a combination of the two. Under these conditions, any country tying their hands to the 1.5 degrees C must risk real costs.

Does this mean that mitigation is stalled? Not necessarily. There is a growing sense that, in the long run, low-carbon approaches can bring competitive gains, even while there is



Vulnerable countries argue that when mitigation and adaptation fail, they need support to face climate-induced losses and damages AFP

concern about the speed of the transition needed to hold to 1.5 degrees C. For example, the United States has passed notable legislation to stimulate clean energy investment, the EU has a Fit for 55 plan for a green transition, China has created the world's largest carbon market, and India has formulated a variety of policies and missions to support clean energy. But it does probably mean that genuine and far-reaching pledges in international forums to limit emissions further will be hard to sustain.

To put this differently, building momentum to the ambition cycle that climate advocates talk about now may rest on two things: Much more finance on reasonable terms flowing to the developing world; and greater domestic action to reduce emissions in all countries. Notably, the latter may be motivated less by mitigation and more by efforts at building a competitive advantage for a future low-carbon global economy.

Moreover, if successful, these policy experiments could win greater political support at home for enhanced action, ultimately stimulating further international pledges to complete the loop of the ambition cycle. In other words, the motive for mitigation does not rest exclusively, or even predominantly, in international negotiations but rather in domestic actions. For this reason, decrying mitigation failure by focusing only on the Sharm El Sheikh outcome is a highly incomplete story.

As always at a climate meeting, several other technical discussions continue in parallel, most of which have considerable political significance: Discussion of carbon market rules; approaches to and financing for adaptation; and a stocktaking of progress. The carbon market rules, in particular, have implications for the mitigation outcome, as loose rules could enable dubious emission reduction efforts to count toward countries' emission obligations.

The Sharm El Sheikh meeting will be remembered for the decision on loss and damage and opening a new and important front in climate politics. In addition, mitigation continues to attract attention, as it should. But it is time to focus as much, if not more, on what countries do at home as what gets announced at annual climate negotiations.

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The views expressed are personal