

## COP 27 must regain balance between adaptation, mitigation and finance

Bonn, 14 June (Perna Bomzan): The upcoming 27th session of the UNFCCC's Conference of Parties (COP 27) in November in Egypt must restore balance between adaptation and mitigation, with progress in talks on a new ambitious goal on finance stressed developing country representatives at a side-event on 7 June, at the ongoing climate talks in Bonn, Germany.

The side-event entitled 'Developing country views on the road to COP27' was organized by the Third World Network (TWN) and moderated by **Meena Raman** (TWN) with panel members comprising **Zaheer Fakir** of **South Africa**, who is the G77 and China's Coordinator on finance issues, **Diego Pacheco** of **Bolivia**, who is the spokesperson for the **Like-Minded Developing Countries** (LMDC), **Richa Sharma** of **India**, and **Mohamed Nasr** of **Egypt** representing the COP 27 incoming Presidency.

**Zaheer Fakir** pointed out that in the context of climate finance, the real obligations of developed countries are captured in Article 4.3 of the UNFCCC (for provision of new and additional financial resources) and is not the buzzword figure of USD 100 billion goal by 2020 which came out of the Copenhagen conference. He highlighted the need to understand the evolution of terminologies referring to "provision" of finance by the Convention while the USD 100

billion is about "mobilization" explaining that the two terms are of profound difference, with the latter gaining more traction. He provided the example of the Global Environment Facility (GEF) where the current ratio of co-financing by developing countries is 7:1.

Referring to the blatant statement by developed countries in Glasgow about their failure of meeting the USD 100 billion goal by 2020 and worse, shifting the goalpost to 2024 instead, he expressed disappointment about the lack of public outcry in this regard. In the context of the new collective quantified goal (NCQG) on finance, he emphasized the need to take note of the history and lessons learnt from the USD 100 billion goal.

Fakir laid stress on the critical need for a common definition of climate finance to ensure common accounting which is still under discussion. "Without provision of finance, terminologies such as ambition, tipping point and urgent climate action do not matter", he stated. Referring to the first NCQG technical expert dialogue that took place in Capetown, South Africa in March, he underlined the ambition of the new finance goal linked to the actual needs of developing countries and that the USD 100 billion figure was never based on needs but was a random figure. Further, he highlighted the findings of the first 'Needs Determination

Report' (of the UNFCCC's Standing Committee on Finance) which shows only 30 per cent of the needs of developing countries have been costed, and ranged between USD 5 trillion to USD 11 trillion, which dwarfs the USD 100 billion goal. Thus, it is crucial to take into account what an ambitious NCQG looks like with a decision by 2025 and that it must be "commensurate between mitigation and adaptation", Fakir concluded.

**Diego Pacheco** recalled the long and difficult negotiations towards reaching a delicate balance in the Paris Agreement (PA) in terms of mitigation, adaptation, loss and damage and means of implementation, which has now gone downhill with a very "complex" narrative that emerged in Glasgow - that of net zero by 2050 and the urgency to keep 1.5C C within reach by the Glasgow Climate Pact. He pointed out the "ambiguity" of net zero by 2050 to be achieved by "all" countries albeit not explicit in the agreement. "Bolivia fully supports 1.5C, otherwise there would be risks to Mother Earth; however, we are not able to support the objective of net zero by 2050 for all countries", he stated, adding that the LMDC group also could not support this objective. He equated it to "carbon colonialism" whereby developed countries are shifting all the burden to developing countries to address climate change and in the process creating financial and institutional structures into a "new rule" by the global North and trapping the global South in a "new dependency", where developing countries are viewed as sinks of carbon while the developed countries in a comfortable way are able to reach net zero by 2050 since they have the finance and technology.

Pacheco called out that there has been a "great imbalance" created by the Glasgow Pact and that there was a need to achieve a "new balance" at the COP 27 negotiations, adding that otherwise, we would be falling into a risky process of developed countries diluting their responsibility. He explained that the need to address this imbalance took place in the agenda fight, for the inclusion of the global goal on adaptation (GGA) as an agenda item of the Subsidiary Bodies at the opening.

"If we are going to operationalise equity, then the developed countries must do real reductions by 2030

and leave the remaining carbon space for developing countries", he added and emphasized that if COP 27 is an "implementation COP", then it must be implementation of adaptation with progress on the GGA. He also highlighted the need to keep the G77 and China "united with a strong voice" on the issue of adaptation as well as on finance and loss and damage, and further stressed the importance of Article 6.8 (on non-market approaches) of the PA for balance with Articles 6.2 and 6.4, which deal with market mechanisms.

**Richa Sharma** said COP 27 will be held in the backdrop of the Intergovernmental Panel on Climate Change's (IPCC) Synthesis Report of the Sixth Assessment Report, which will not only focus on mitigation but adaptation actions as well. She highlighted that the much touted Glasgow Climate Pact of COP 26 adopted last year is mitigation-centric, which is unlike the PA, and expressed hope that COP 27 will "regain" the balance. She cited the instance of the GGA not figuring in the provisional agenda despite the mandate from the Glasgow decision, and how the LMDC had to lead the fight for its inclusion as an agenda item.

Sharma underscored that for developing countries, the historical emissions has been significantly low in per capita terms and hence, they are suffering the impacts of climate change disproportionately. Developed countries with higher per capita GDP have better adaptive capacity, and hence, developing countries are also talking of achieving rapid, green sustainable development which allows them to build resilience for their people, she said further. Sharma added that the issue of loss and damage is important and highlighted climate finance as critical, calling on developed countries to provide the means of implementation for the whole world to accelerate climate action. The IPCC reports on both adaptation and mitigation have established the historical accumulation of greenhouse gas emissions by developed countries, which have contributed to climate change, she stated.

**Mohamed Nasr** provided the bigger picture beyond negotiations, of the "informal" process that has mushroomed in Glasgow with the private sector

and other stakeholders playing in the role, although the intergovernmental process remains at the core. He cited the 'Global Methane Pledge' as an instance in this regard as well as other initiatives from the International Civil Aviation Organization and other sectors. He informed that as the COP 27 Presidency, they are dealing with a wide spectrum of stakeholders including the international investors and thus aiming for a "balanced approach" across the board.

He shared that Egypt is cognizant of the fact that having a one-sided outcome can be "problematic". "Our reference has always been the UNFCCC and its PA, which provides a balance between mitigation, adaptation and means of implementation", he shared, adding that "if we deviate from this delicate balance, then the outcome will be in question".

The success of COP 27 will be defined by a "balanced, substantial outcome following the agreed balance in PA", he pointed out, which is about both mitigation and adaptation actions and that the latter is falling far short compared to the former, thus stressing on the urgent needs of adaptation, loss and damage and building resilience with an "integrated, holistic approach".

In relation to the expected outcomes, Nasr shared the dilemma of being told that the GGA and the NCQG processes go beyond Egypt. However, as the COP 27 Presidency, Egypt envisaged "stocktaking on the substance and progress achieved (on these matters)". He said that although the Glasgow outcome was very mitigation-centric, it did however have the "promise" for adaptation and loss and damage; hence, progress on these elements must be assessed.

He also shared that several challenges faced by developing countries in Africa, including the food and energy crises, in addition to the geopolitical crisis which was not anticipated bringing difficulties and concerns to the Presidency. He also informed about the upgraded part of the informal process with a focus on 17 thematic issues of socio-economic dimensions, and that all information would be publicly available on the COP 27 Presidency's website.

In closing, Nasr highlighted that "finance is the cornerstone" and how to advance this agenda considering the financial crisis in relation to not only of meeting the USD 100 billion goal but the NCQG as well. He shared about Africa's debt crisis and that countries are not being seen as "creditworthy", and that it is crucial to highlight these elements and challenges. "We need clear and focused asks from developing countries so that we can fight for them", he underscored, sharing that the developed countries have clear views on what they want.

Further, he stated that voices from civil society need to be heard and that 90 per cent of what they are saying is also what the COP 27 Presidency is saying, hence we are in alignment. Nasr concluded by laying stress on "historical responsibility", translation of science targets into "implementable actions" and flagging the SCF's 'Needs Determination Report revealing a figure of USD 5-11 trillion in terms of actual needs of developing countries which no one talks about except on the focus over the USD 100 billion climate finance goal (Copenhagen).



