COP27: Taking stock of progress

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MO IBRAHIM FOUNDATION

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This analysis looks at COP27 stock of progress - based on the Sharm El-Sheikh Implementation Plan (COP27 cover decision) and additional data and media resources – against the 15 Key Recommendations formulated by MIF 2022 Ibrahim Forum regarding Africa's specific needs in terms of adaptation, Africa's urgent energy access challenge, and Africa's potential as a central player in a global green economy.

KEY POINTS

Movement towards 1.5C

- There has been a failure to agree a deal that would see greater cuts to greenhouse gas (GHG) emissions from the highest polluters. This leaves us a long way from 1.5C and Africa is one of the regions that will suffer the most from this.
- According to a report prepared for COP27 by the Independent High-Level Expert Group on Climate Finance, developing countries 'will need $2tn a year in climate funding by 2030' to cut their GHG emissions and cope with the effects of climate breakdown. This shows the scope of ambition needed against the current backdrop: the COP15 pledge by wealthy nations – made 12 years ago in Copenhagen – to commit $100 billion a year in climate finance to less wealthy nations still has not been met.
- Global climate change mitigation is failing: Cover decision document highlights that world is off track to meet the Paris Agreement goal of limiting temperature rises to 1.5C above pre-industrial levels by end of the century.
- Findings from emissions gap report of the United Nations Environment Programme (UNEP) show that current Nationally Determined Contributions (NDCs) are estimated to only reduce global emissions in 2030 by 5-10%, and to limit global warming to 2°C and 1.5°C, these have to be scaled to reducing emissions by 30-45% per cent by 2030.
- At COP27 some countries tried to renege on agreed Glasgow target of 1.5C limit. While they failed, a resolution to cause emissions to peak by 2025 was taken out of the cover decision.
- Campaigners have already been warning that countries, especially developed ones, will need to submit much more ambitious emission-reduction commitments ahead of COP28, if we are to keep within the 1.5C limit.

Africa's vulnerability

- Statement reiterates need to double adaptation financing by 2025. $230 million has been committed to global adaptation at COP27, with several countries contributing to the adaptation fund for the first time. This is a positive step, but amounts to less than 10% of Africa's needs alone - the African Union estimates that climate finance needs for adaptation in Africa range from US$259 – 407 billion between 2020 and 2030.
- The cover document specifically acknowledges the lack of early warning system coverage in Africa. An 'Executive Action Plan' for the 'Early Warnings for All' initiative has been introduced, aiming to provide universal early warning systems by 2027.
- Almost 200 countries agreed to set up a fund to cover 'Loss & Damage', with negotiators agreeing to establish the new structure by 2023. However, with the contributors and recipients of said fund, as well as the amount to commit yet to be decided, it could be some time before any funding is effectively received.
- Though a placeholder had appeared in the draft document, the final document included no recognition of Africa's specific situation and needs.

Africa's access to energy

- References to the hundreds of millions without access to electricity and clean cooking did not make it into the cover decision (they were in draft cover decision document previously circulated).
- Energy access is recognised as a component of a 'just transition', noting that a 'just transition' must be nationally defined and include social protection dimensions to mitigate potential impacts associated with transition.
- The cover document emphasises the need for a reduction in emissions based on 'just energy transitions' through an increase in 'low-emission and renewable energy'. However, while the wording could give some breathing space for Africa to use gas as a transitional fuel, many who fought hardest for this outcome do not face energy access problems, and should instead work on mitigating their emissions.
- 'Phasing down' of all fossil fuels, as opposed to just coal, was requested by the EU, India, and the US, but this did not make it into the final document. However, COP26 commitments to 'phase down' coal and 'phase out' inefficient fossil fuel subsidies were reiterated.
- 'Africa Just and Affordable Energy Transition Initiative' was introduced to provide technical and policy support, which is an important point, but the initiative was not accompanied by energy financing.
- While achieving universal energy access in Africa by 2030 would require $25 billion per year, little progress has been achieved in this regard at COP27, with no new commitments on energy financing outlined in the cover document.
- However, while COP27 was ongoing, the World Bank announced an initiative to accelerate the pace of electrification in Africa and achieve universal access by 2030 through the mobilisation of targeted private finance.
- At the 'High-Level Forum on Financing Energy Transition in Africa at COP27' calls were made by many, including the IEA Executive Director Fatih Birol, to recognise Africa's unique situation regarding energy and its need to utilise all its resources. But no reflection of Africa's unique situation was acknowledged in the final cover document, despite a placeholder appearing in the draft.
- The challenges to leapfrogging are not acknowledged. With back-up fuels still needed for intermittent renewables in the power sector, and alternatives to fossil fuels in hard-to-abate sectors such as steel, cement, and heavy transport a long way from being widespread. Leapfrogging means waiting for Africa's development.

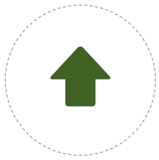
Africa's potential

- Africa's potential was recognised in some ways, with the EU signing deals with Egypt and Namibia on green hydrogen. However, other than a side event there was nothing in the cover document on the centrality of Africa's minerals to a green transition.
- The Africa Carbon Markets Initiative (ACMI) was launched, which could help raise finance in voluntary carbon markets.
- However, technical details of global carbon credits that could transfer wealth from high polluters to those preserving valuable natural assets and reducing emissions have been kicked to 2023, with little to no progress this year. There was much optimism after broad principles on governing carbon markets were agreed at COP26, so the inability to work out details for implementation at COP27 represents a failure.
- Discussions about critical minerals were relegated to side events. Yet, transitioning to a sustainable energy system will see a 500% increase in demand for critical minerals. With so many of these minerals located in Africa, there can be no green transition without the continent, yet this potential features nowhere in the cover document.

ADAPTATION: TAKE AFRICA'S SPECIFIC CLIMATE VULNERABILITIES INTO ACCOUNT

RECOMMENDATION 1.
Do not work in silos: address the interaction between climate, development and security challenges

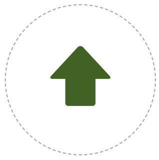
This **overlap between 'crises of food, energy, cascading risks, geopolitical, financial, debt and economic challenges' has been recognised**, with an emphasis on developing countries.



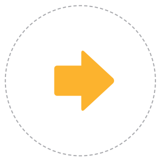
- In particular, **food security's link to climate has been acknowledged** in the agriculture paragraph of the cover decision document. This welcomes the establishment of the four-year Sharm El-Sheikh joint work on implementation of climate action on agriculture and food security.

RECOMMENDATION 2.
Mitigation alone cannot address the scope of the problem: increase focus on adaptation and 'loss and damage' compensation

The UNFCCC COP27 cover decision **put the focus for the first time on the tipping points - these are where a changing climate could push parts of the Earth system into abrupt or irreversible change**: Greenland ice sheet disintegration, permafrost loss, Atlantic meridional overturning circulation breakdown, Boreal forest shift, Coral reef die-off, Indian monsoon shift, West African monsoon shift, West Antarctic ice sheet disintegration and Amazon rainforest dieback.



Loss & damage (L&D): Almost 200 countries agreed to set up a 'Loss and Damage' fund. The new fund structure will be set up in early 2023 and contributors and recipients will be determined by a committee of countries.



- **However, there is no decision yet in terms of who the contributors and recipients will be**, how much the fund will aim to mobilise and what more multilateral development banks and UNFCCC parties can do to support actions to address L&D.
- COP27 just established a 24-member 'Transitional Committee' which will make recommendations to COP28 next year, where the final decision will be taken on how the fund will operate and who will pay into it. This one-year delay means that **it will likely be several years before any vulnerable countries receive funds, and there is no guarantee that financing flows will be significant**.
- Still under discussion: The EU had hoped that the proposed fund would be conditional to **more ambitious commitments on coal, oil, and gas** from low-income countries and to financial contributions **from India and China**. However, they eventually compromised on this position.
- **The original EU proposal** mentions three conditions for the establishment of such a fund: **overall global reductions** in GHG emissions a central goal of the Paris Agreement, **a reform of the multilateral bank system** so that they can contribute to L&D financing and a **broader donor base**. While under the 1992 UNFCCC, under which COP takes place, countries are classified as developed and developing, the EU says that the donor base of a L&D fund would need to take into account the economic situations of countries in 2022, as in G77 proposal (this would include China, which is classified as developing by the 1992 UNFCCC).

- The US had been reluctant to support the creation of a 'loss and damage' fund. However, they chose to support it after it became clear that there would be no legal liability. The US was keen that reported payments to other nations must be accounted for as general foreign aid rather than climate compensation or reparations.
- Other individual countries that have pledged L&D finance at COP27 are Austria, Belgium, Canada, Germany, Ireland, and New Zealand. At the 2022 UN General Assembly, Denmark became the first country to pledge L&D finance.
- The institutional arrangements of the Santiago Network for averting, minimising, and addressing 'loss and damage' have been established and will facilitate its operation. The network was introduced at COP25 in Madrid and plans to connect vulnerable developing countries with providers of technical assistance, knowledge, and resources for addressing 'loss and damage'.
- At COP26, the Group of 77 + China backed a proposal by the Alliance of Small Island States for a finance facility for loss and damage, in addition to funding to mitigation and adaptation. This **proposal was rejected**. However, the Glasgow dialogue was set up for three years to look into arrangements for funding loss and damage.
- In 2021, Tuvalu established a Commission for Small Island States on Climate Change and International law, with the intention to take claims for loss and damage to international courts. In addition to Tuvalu, other small island states such as Antigua and Barbuda also announced their intention to take claims for loss and damage to international courts.

Adaptation: The statement of COP27 reiterates that **developed countries should urgently and significantly scale up adaptation finance**.

- At COP27 more than **$230 million in pledges were made towards an adaptation** fund, with a number of countries such as Austria, Japan, Iceland, and South Korea contributing for the first time.
- The Sharm El-Sheikh Adaptation Agenda was announced by COP27 President Sameh Shoukry. The Agenda outlines 30 Adaptation Outcomes to enhance resilience for those living in the most climate vulnerable communities, including specific adaptation initiatives for Africa. 'Adaptation outcomes' define simple, specific, measurable indicators delivered through specific high-impact solutions that are applicable on a large-scale, impacting many people across multiple geographies. They guide progress, focusing on people protected and the finance mobilised towards that goal.
- The cover decision document recognises the need to balance adaptation and mitigation support, **recognising that global climate finance flows are small relative to the overall needs of developing countries**.
- Support for mitigation remains greater than support for adaptation. **Adaptation finance has remained at between 20-25% of committed finance across all sources**. The demand from many has been achieving a 50:50 balance between mitigation and adaptation.
- At COP26, countries agreed to double the proportion of climate finance that goes to adaptation. While it has been reported that a request from the Africa Group to include this commitment in the COP27 final document was denied, the cover decision urges **"developed country Parties to urgently and significantly scale up their provision of climate finance, technology transfer and capacity-building for adaptation"**.

RECOMMENDATION 3.
Invest in resilience to prevent loss and damage to lives, livelihoods and critical infrastructure

Importance of early warning systems is recognised in cover decision document: one third of the world, including 60% of Africa, does not have access to early warning and climate information services.

- On 23 March 2022, on World Meteorological Day, the UN Secretary-General called for **universal coverage of early warning systems against extreme weather and climate change within the next five years**.
- The Executive Action Plan for the Early Warnings for All initiative, unveiled by the UN Secretary-General at COP27, calls for initial **new targeted investments between 2023 and 2027 of $3.1 billion**. This would cost the equivalent of just 50 cents per person per year for the next five years to reach everyone on Earth with early warnings against increasingly extreme and dangerous weather.

Technology transfer and deployment: the cover decision welcomes the first joint work programme of the Technology Executive Committee and the Climate Technology Centre and Network (2023-2027).

For the first time, **paragraphs for oceans and forests are included in the cover decision**.

- **Oceans**: it welcomes ocean and climate change dialogues and encourages parties to consider oceans in their national climate goals and implementation of goals.
- **Forests**: it emphasises the collective need to slow, halt and reverse forest cover and carbon loss, in line with national circumstances, an encourages parties to consider nature-based solutions or ecosystem-based approaches for their mitigation and adaptation action.

ENERGY: ADDRESS AFRICA'S PEOPLE'S RIGHT TO ENERGY ACCESS

RECOMMENDATION 4.
Balance net-zero, energy access, and energy security

The cover document recognises that the unprecedented global energy crisis underlines the **urgency to rapidly diversify energy mixes and systems at all levels**, making them more secure, reliable, and resilient, while accelerating clean and just transitions to renewable energy during this critical decade of action.

- The cover document emphasises that a **just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions**, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition.

The cover decision document emphasises on the need to enhance the share of renewable energy in the energy mix of countries and encourages the phase down of unabated coal power and the phase out and rationalisation of inefficient fossil fuel subsidies. These are important to **reach net zero by 2050 and for energy security** (especially important in the context of the war on Ukraine).

- In the context of the current energy crisis, **energy diversification** is recognised as essential.
- Cheap electricity from renewable sources could provide 65% of the world's total electricity supply by 2030. It could decarbonize 90% of the power sector by 2050.

The 'Africa Just and Affordable Energy Transition Initiative' was established with three primary objectives to achieve by 2027: securing access to affordable energy for at least 300 million Africans, transitioning 300 million Africans to clean cooking, and increasing the share of renewable energy by 25%.

- Scaled-up public grants for mitigation and adaptation funding for vulnerable regions, especially in sub-Saharan Africa, would be cost-effective and have high social returns in terms of access to basic energy.

There has been talk of a just transition... but little talk of what that means. Just transition has been alluded to but not specifically referenced, the energy gap has been highlighted – but with a focus on utilising renewables to bridge it, and in particular green hydrogen which is far from being available at a commercial scale.

- **Is a just transition one where some of the poorest people must wait for development?** In a continent where 600 million people lack access to electricity and almost 1 billion lack access to clean cooking fuels, a just transition would allow for downstream investments that deliver Africa's own resources i.e. natural gas reserves, to Africa's people rather than export them to Europe.
- **A just transition requires that the challenges to leapfrogging are acknowledged**. Back-up fuels are still needed for intermittent renewables in the power sector, so while **renewable investments are critical**, a just transition must acknowledge the **need for stable energy**. Africa also needs to build schools, hospitals and critical infrastructure which will require large amounts of steel and cement. Alternatives to fossil fuels in these hard-to-abate sectors are a long way from being widespread. Leapfrogging means waiting to achieve these critical development goals.

RECOMMENDATION 5.
Consider gas as a key transitional fuel, to be developed in parallel with renewables

There has been back and forth on **whether the final declaration should refer to the phase down of all fossil fuels or single out coal**, the dirtiest fossil fuel, specifically. It has been reported that some countries that have had to resort to burning coal due to the war on Ukraine may prefer not to single out coal.

- **The EU, US, and India wanted to introduce a statement to 'phase down' all fossil fuels**. This is not compatible with a just transition for Africa, and the urgent need to address the continent's energy needs.
- This **did not make it into the cover decision**, due to the opposition of countries such as Russia and Saudi Arabia, but still shows that lip service is being paid to Africa's situation.
- Frans Timmermans (Executive Vice-President of the European Commission) left some room for manoeuvre open, saying the EU was not seeking to dictate a country's investment plan but wanted to send a warning on investing in fossil fuels. "I'm not telling African countries not to invest in fossils, let me be very clear about that. I'm just telling them 'be careful what you do' because if you invest in coal now, you're sure to create stranded assets. If you invest in oil, you're probably going to create stranded assets,". **He said natural gas "is a different situation for which I have some understanding"** with recognition of the fact that natural gas infrastructure can be adapted for green hydrogen down the line.
- **The inclusion of the energy access issue in the cover document has been reported as a recognition of the contention over African gas**. While many campaigners fear that an expansion in African gas could jeopardise the 1.5C temperature rise limit, proponents of African gas exploitation have said that this is needed in order to provide the continent with widespread and reliable energy access and achieve the continent's development goals, stating that given the low-emissions base from which Africa is starting, the impact on overall emissions will be negligible.
- However, some people question whether countries will use their gas reserves to bring gas or gas-fired electricity to the poorest instead of selling it to the highest bidder for export. It is critical that gas exploration is used to address energy poverty, and realise the continent's development goals, and is not just a source of quick finance through exports.
- In opposition to this, **Small Island states such as Tuvalu and Vanuatu have asked for a fossil fuel non-proliferation treaty**.

RECOMMENDATION 6.
Whether for gas or renewables, look beyond just production alone

There has been no formal recognition of the importance of energy distribution networks, nor of the importance of these networks in tackling climate change and addressing Africa's energy deficit.

- The EU's Frans Timmermans touched on the issue, noting that gas pipelines could be potentially pre-fitted to also carry gases with other densities in the future, such as green hydrogen or green ammonia.

RECOMMENDATION 7.
Clean cooking solutions are key to both climate and health goals

References to the hundreds of millions without access to electricity and clean cooking did not make it into the cover decision (they were in draft cover decision document previously circulated).

- While work has been undertaken on the need for energy diversification, not enough attention has been dedicated to the crucial interlinkages between energy access and health.
- Burning unclean fuels such as biomass and charcoal produce harmful emissions, contribute to deforestation and pose major health risks to the 930 million people in Africa still relying on them for household purposes.

POTENTIAL: HIGHLIGHT AFRICA'S POTENTIAL IN A GLOBAL GREEN ECONOMY

RECOMMENDATION 8.
Raise awareness of Africa's assets and Africa's ability to be a key stakeholder of a global green economy - not just a victim of the climate crisis

Various bilateral **agreements have been signed with a focus on developing green hydrogen in Africa**:

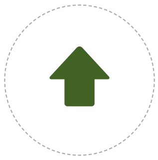
- The EU signed a Memorandum of Understanding (MOU) on **green hydrogen** with Namibia and Egypt.
- The European Investment Bank (EIB) and Namibia are deepening cooperation on **renewable energy**, with the EIB providing a loan of up to $500 million.
- The EU's MOU with Egypt will also facilitate the **RePowerEU** project to reduce reliance on Russian gas.
- The European Bank for Reconstruction and Development (EBRD) signed a joint statement committing €35 million to support **Egypt's Energy Wealth Initiative** that plans to replace 5000MW of gas power with 10000MW or renewable power.

The key issue of critical minerals was relegated to a side event at COP27. However, considering the crucial importance of these – many of which are hosted by Africa – for a global net-zero future, from renewables, to green technologies such as electric vehicles or battery storage, this topic deserved a more in-depth focus.

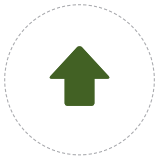
- The management of these resources is particularly important, if we consider that demand of critical minerals will skyrocket by 500% by 2050.
- **Electric vehicles, solar and wind power, and batteries for energy storage all run on copper, and copper demand is forecasted to nearly double to 50 million metric tons by 2035**. By 2050, demand will reach more than 53 million metric tons. To put this figure in perspective, **S&P Global noted that that's more than all the copper consumed in the world between 1900 and 2021**.
- Just DR Congo and Zambia combined account for over 12% of global production of copper. In addition to this, Zambia has been the world's biggest exporter of unrefined copper for the last five years (2016-2020).
- Over 70% of the world's cobalt is located in DR Congo. Cobalt is an essential mineral in lithium-ion batteries for electric vehicles and energy storage technologies. It is also important for wind energy and biogas.
- Platinum group metals (PGM), including metals such as iridium, palladium, and platinum, will be key to the adoption of green hydrogen, and for decarbonising difficult sectors such as heavy transport, heating, and industry. Africa accounts for over 90% of global PGM reserves, with South Africa accounting for the large majority of that.

RECOMMENDATION 9.
Assess - and monetise - Africa’s carbon-sequestration potential

At COP27, **the big three tropical rainforest nations – Brazil, Indonesia and DR Congo- announced an “Opec for rainforests”** to coordinate conservation efforts of the carbon sinks they host, key for the planet to avoid climate catastrophe. The three countries are home to the Amazon, Congo basin and Borneo and Sumatra forests – representing 52% of the world’s remaining primary tropical forests.

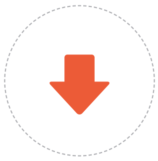


On voluntary carbon markets to phase out fossil fuels: Carbon offsets have been making a comeback at the COP27 climate summit. African countries including **Egypt, Gabon, Kenya, Malawi, Nigeria and Togo**, along with sponsors including the US Agency for International Development, the Bill and Melinda Gates Foundation, and the carbon trading platform Verra, **launched the Africa Carbon Markets Initiative (ACMI)**.



- By 2030, the initiative aims to ramp up carbon credit production in Africa 14 times to 300 million tons of CO2 per year. It estimates $6 billion will flow to the continent providing a critical stream of funding for clean energy and conservation. This is a voluntary carbon market.
- At COP27 the US proposed an ‘Energy Transition Accelerator’ to allow US companies to shop for certified offset credits derived from clean energy projects in developing countries.
- The US climate envoy John Kerry is among global leaders supporting this comeback. On November 9, he announced plans to create a new platform for carbon credit trading called the “Energy Transition Accelerator (ETA)” in collaboration with Bezos Earth Fund and The Rockefeller Foundation.

However, **less progress has been made on global carbon markets** or global carbon tax, or rules on governing global carbon credits. **Countries have kicked a decision on the rules for which types of projects can produce credits – from solar farms, to projects to avoid deforestation, to 2023**.



- At COP26, countries committed to establishing governance framework for a global carbon market in Sharm el-Sheikh so the lack of progress on this represents a significant failure.
- In the final negotiations at COP27 no decision was reached on rules for country-to-country offset trades.

RECOMMENDATION 10.
Avoid the 'resource curse': add local economic value and prioritise governance

While there was much talk of a renewable transition, there was very little discussion of the minerals that would be needed to facilitate that transition. **Achieving net-zero will require a dramatic increase in mining operations globally**.

- With many of the key minerals needed for renewable energy networks located in Africa, there are concerns that **mineral-rich countries might be impacted by the so-called 'resource curse'**, seen in the extraction of fossil fuels and precious metals across the continent i.e. **environmental degradation, conflict, human rights abuses**.
- Concerted efforts are required by governments and private sector actors to ensure that critical minerals are a boon to their host country and do not become a burden. These efforts should have been seen at COP27, but unfortunately the issue was **nowhere on the agenda**.
- The government of DR Congo underscored the importance of good resource governance at a side event hosted by the Extractive Industries Transparency Initiative (EITI), the Natural Resource Governance Institute (NRGI), and the International Council on Mining and Metals (ICMM). However, the governance issues associated with critical minerals did not make it onto the core agenda at COP27.

TOWARDS COP27: "YOU DON'T GET WHAT YOU NEED OR WHAT YOU DESERVE, YOU GET WHAT YOU NEGOTIATE"

RECOMMENDATION 11.
Define, present, and negotiate a Common African Position

There was **no clear formulation of a 'Common African Position'**.

Special needs and special circumstances of Africa - while this was an agenda item in the draft cover document, indicating that ongoing negotiations in the matter were taking place, **the lack of mention of Africa's special needs and circumstances in the final cover document is a disappointing result for the continent.**

RECOMMENDATION 12.
Re-build trust lost through previous summits

There has been a lot of criticism because the **cover decision for the so-called "implementation COP" does not reflect any increased efforts to reduce emissions**.

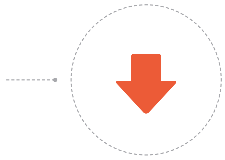
In the first COP on the African continent since 2016, **Africa's special needs and circumstances were only included in the agenda very last minute and, in the end, they did not feature in the final cover decision**.

At COP27 **delegations from African countries and indigenous communities have been outnumbered by representatives of corporate interests**.

- There has been criticism about the **600-plus fossil fuel lobbyists present at the conference** – a rise of more than 25% compared to last year, outnumbering delegations from all countries apart from United Arab Emirates (UAE). The UAE, host of COP28 next year, had 1,070 registered delegates.
- **COP27 has been the second most attended and longest historically**. Since its inception as a rather technical meeting of state parties, COP27 has conflated into a huge global network that includes various and diverging interests and agendas. Several calls have been made to bring the meeting back to its original mission, and organise the agenda so that the **first week is dedicated to progress reports** on concrete achievements from governments and the private sector and the **second week could focus on identifying where further and faster action was needed**.

At COP15 (2009, Copenhagen) developed countries pledged $100 billion in annual climate finance for developing nations by 2020 – this pledge still has not been met. **While the cover decision encourages developed country parties to honour this promise, no progress has been made in mapping out how this will happen.**

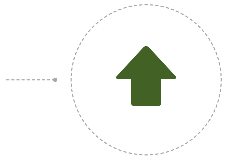
RECOMMENDATION 13.
Emphasise responsibilities



No one-size fits all approach: the commitment to **common but differentiated responsibilities**, difference in capabilities and national circumstances has been paid lip service but not been implemented.

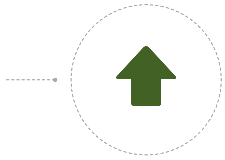
- On the last day, the EU proposed a loss and damage fund, however they asked for more ambition on cutting emissions from G77 and most vulnerable countries in exchange. In the end, this requirement did not make it into the final cover decision document.

RECOMMENDATION 14.
Adopt a wide range of integrated and innovative financial solutions



Climate disaster financing: Bridgetown Agenda has been proposed by the Prime Minister of Barbados, Mia Mottley to reform the international financial architecture to make it fit to respond to the global climate crisis -for small countries frequently affected by natural disasters, this would be essential to break out of the cycle of natural disasters and debt.

- The proposed debt relief and loan blueprint targets the IMF and asks for the following:
  - the establishment of a climate mitigation trust that would be kickstarted by the release of $650 million from the IMF through the special drawing rights (SDRs) mechanism – it is estimated that this could stimulate private investment by an additional $2 trillion-;
  - low-interest, long-term loans for adaptation for climate-vulnerable countries;
  - natural disaster clauses in all bank loans;
  - grants for loss and damage that would be funded by a 2% tax on fossil fuel exports.
- **Mia Mottley's proposal to reform the international financial system has made it into the cover decision**.



Cover decision document highlights that **about $4 trillion a year needs to be invested in renewable energy until 2030** – including investments in technology and infrastructure- to allow us to reach net-zero emissions by 2050. **A global transformation to a low-carbon economy would require at least $4-6 trillion a year**.

- **To deliver such funding, the cover decision document recognises that a transformation of the international financial architecture will be needed**.
- **World Bank reform**: there has been a lot of criticism of the World Bank during COP27. This is perceived by many as having failed to provide enough funding for mitigation and adaptation in developing countries. Despite this, the cover decision document does not mention the World Bank directly. This is because the World Bank is separate from UNFCCC and COP negotiations do not have a mandate over it.
- Cover decision document expresses concern regarding developing countries' **growing debt burden** due to the significant financial costs associated with loss and damage.

RECOMMENDATION 15.
Give a human face to the climate debate

Draft document recognises **key role of indigenous people, and potential human rights issues** concerning climate change.

- However, in practice these groups have been largely outweighed by corporate representatives and fossil fuel lobbyists.
- Trying to get to COP27 in Egypt has been a challenge faced by a number of activists from around the globe, including African climate activists, who were hoping that their voices would be centred at the 'African COP'.
- There has been reporting about the failings of COP27 summit in Egypt to ensure the participation of indigenous activities and organisations from the most affected communities in Africa.
- Due to Egypt's crackdown on public protests during COP27, campaigners have had to downsize their customary march during the UN climate summit. Rather than taking to the streets as usual, they staged the march inside the COP27 conference centre in Sharm El-Sheikh.

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