



The 28th session of the Conference of the Parties (COP) — an annual convening of countries signatory to the United Nations Framework Convention on Climate Change (UNFCCC) — happened in Dubai this year, with high expectations that countries would take concrete steps to address the climate crisis. The negotiations encompassed mitigation efforts, adaptation strategies, financing mechanisms, and the role of developed countries versus developing nations in climate action. The summit ended with progress on certain fronts but lingering challenges on others.

What happened with respect to the loss and damage fund?

Following the agreement reached at COP-27 to create a 'Loss and Damage' (L&D) fund, the last year was dedicated to negotiations on fund-management and financing. In a historic decision, the fund was operationalised at COP-28.

However, only a meagre \$790 million has been pledged so far, by a few nations, despite the corpus requiring \$100 billion to more than \$400 billion a year. Notably, the U.S., the largest historical emitter, committed only \$17.5 million. Moreover, the World Bank was designated to oversee and administer the fund. But concerns originating from the experiences of developing countries with the World Bank related to questions about legal autonomy, flexibility, and decision-making authority, and general scepticism about the fund's agility in responding promptly to emergencies, have emerged. There is also a prevailing sentiment among countries that the communities affected by climate-related disasters should be able to directly access funding, preferably in the form of grants and not loans.

What about the global stocktake?

This year's COP summit saw the first global stocktake (GST). According to the UNFCCC, the GST "enables countries and other stakeholders to see where they are collectively making progress towards meeting the goals of the Paris Agreement — and where they are not".

The decision of countries' at COP-28 to transition away from fossil fuels was coupled with the ambition to triple renewable energy capacity by 2030. More than 20 countries also pledged to triple their nuclear energy capacity. However, the transition from fossil fuels is restricted to energy systems alone; they can continue to be used in the plastics, transport, and agriculture sectors. The declaration also refers to 'transitional fuels', such as natural gas, for ensuring energy security. But this falls short of true climate justice as it allows industries to continue operating in the business-as-usual mode.

Further, while the declaration called for accelerated climate mitigation, it alluded to unproven and risky technologies such as carbon capture and storage (CCS) and carbon removal. The former enables users of fossil fuels to prevent their emissions from entering the atmosphere by capturing the emissions at the source and storing them permanently underground.

What about green finance?

The financial segment of the GST implementation framework explicitly recognises the responsibility of developed nations to take the lead in climate finance. There is also a reference to the private sector's role in addressing financial shortfalls and an imperative to supplement grant-oriented, concessional finance to enable equitable transition in developing countries. Nevertheless, specific information regarding the entities obligated to furnish this grant-based finance is lacking.

The COP-28 also witnessed the establishment of innovative global green-finance mechanisms to support developing nations in their transition to sustainable practices. The Green Climate Fund received fresh support of \$3.5 billion, allowing it to finance adaptation and mitigation projects in vulnerable regions. An additional \$188 million was pledged to the Adaptation Fund. New partnerships between public and private sectors were forged to mobilise investments in renewable energy, sustainable agriculture, and infrastructure. The COP-28 Presidency also introduced ALTERRA, an investment initiative with an ambitious goal to globally mobilise an unprecedented sum of \$250 billion by 2030.

Despite these efforts, the available funds fall well short of the \$194-366 billion annual funding requirement for adaptation, as estimated by the United Nations.

How did India fare at COP-28?

The UAE declaration on climate and health came into being at COP-28 through a partnership of the COP-28 Presidency with the World Health Organization. It recognises the growing health impacts of climate change and acknowledges the benefits of climate action, including a reduction in air pollution and lowering the cost of healthcare. The declaration, signed by 123 countries, has collectively committed \$1 billion to address the growing climate-health crisis. However, India didn't sign this declaration because reducing greenhouse gas (GHG) emissions in the health sector would mean reduction in emissions from gases used for cooling. As India's healthcare infrastructure is still growing, such a commitment could compromise the healthcare requirements of a growing population, particularly rural.

The Global Methane Pledge launched at COP-26 received renewed attention at COP-28, with the Climate and Clean Air Coalition becoming the new secretariat and partners of the pledge announcing more than \$1 billion in new grants for funding projects to reduce methane emissions from the agriculture, waste, and gas sectors. More than 150 countries signed the pledge to reduce methane pollution. India isn't a signatory to this pledge because it shifts focus from carbon dioxide to methane, a GHG with a lower lifetime.

Also, methane emissions in India are primarily from rice cultivation and enteric fermentation (livestock rearing), which support the livelihoods of small and marginal farmers.

What are the takeaways?

The COP-28 outcomes had a lot of firsts, such as the declaration on climate and health, acknowledgement of the role of nature-based solutions for biodiversity conservation and climate, and the need to transition away from fossil fuels. Some 134 countries also agreed to a landmark declaration to transition to sustainable and resilient food systems.

However, some challenges and differences between developed and developing countries remain to be addressed. One key issue of contention was fossil-fuel subsidies. While developed countries advocated for phasing them out, developing countries, including India, refused a phase-out over implications on economic growth and development.

Such a phase-out also has social implications: several communities rely on fossil fuels (coal, in India's case) for gainful employment. Moreover, emphasising the principle of common and differentiated responsibilities and the historical responsibility of developed countries for GHG emissions, developing countries argued for increasing the flow of climate finance and technologies to facilitate just job transitions and inclusive development.

Some other contentious issues spanned market mechanisms, financial resource allocation, the role of the World Bank as the agency for managing the L&D fund, and private sector engagement in climate action.

In sum, COP-28 is a mixed bag of outcomes. The commitment to ramp up renewable energy targets is a significant step forward — whereas issues on L&D metrics, fund management and disbursement, market mechanisms, risky technologies, the room left for continued use of fossil fuels in many sectors, and natural gas as a transitional fuel leave much to be desired.

Expected Question for Prelims

Que. Consider the following statements with reference to the Loss and damage fund-

1. It was launched on the opening day of the COP-28 climate conference in Dubai.
2. The World Bank will initially monitor the Loss and Damage Fund.

Which of the above statements is/are correct?

- (a) Only 1
- (b) Only 2
- (c) Both 1 and 2
- (d) Neither 1, nor 2

Answer : C

Mains Expected Question & Format

Que.: What is 'Loss and Damage Fund'? What are the likely benefits of its implementation? Discuss.

Answer's Approach:

- ❖ Discuss the 'Loss and Damages' fund in the first part of the answer.
- ❖ In the second part, discuss the benefits of the implementation of this fund.
- ❖ Finally give a conclusion indicating the way forward.

Note: - The question of the main examination given for practice is designed keeping in mind the upcoming UPSC mains examination. Therefore, to get an answer to this question, you can take the help of this source as well as other sources related to this topic.