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COP 27, Egypt - Would it be a Game Changer for 2023?

■ **Sonal Verma & Saurabh Sharma**

THE UN CLIMATE SUMMIT: WHAT IS IT?

Every year, UN climate conferences are organised to encourage governments to adopt measures to slow global temperature rise.

They are known as COPs, or “Conference of the Parties,” for short. The parties are the participating nations that ratified the first UN climate accord in 1992.

The 27th annual UN climate conference is known as COP27. It will be held in Sharm el-Sheikh from 6th to 18th November, 2022.

This year on backdrop of Russia – Ukraine Conflict, recession, increasing prices, soaring temperatures, floods etc the importance for action collectively by global political & business leaders would be crucial.

KEY EXPECTATIONS FROM COP 27 - 2022

• Implementation COP – actions have to follow and not only planning at COP. Implementing the Paris Rulebook which was finalised in COP 26 would be a key expectation.

• To avert usage of dirty bombs or nuclear bombs in Current conflict situation of Russia –Ukraine as it can escalate global geo-political tension and make the planet saving efforts more tough.

• Global bodies of UN should make sure not to let geo-political conflicts in the 50 top conflict zones to escalate and derail the climate action plans further

• Make countries responsible to following their annual commitments on COP Platform and provide more support to lesser developed countries

• Appreciation to governments who took immediate climate action initiatives

• Make sure the International Sustainability Standards Board (ISSB) Exposure Draft IFRS S2 Climate-related Disclosures (Climate Exposure Draft) gets acknowledged as per time-plan of December 2022. The disclosures are built upon the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and incorporates industry-based disclosure requirements derived from SASB Standards. This was put in motion in COP 26-Glasgow last year. This would lead to more



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homogeneity in ESG Standards and formalise accounting standards for climate action initiatives that could emerge.

- Unity of voices
- Climate adaptation, climate finance, and loss and damage (L&D), among others would be key discussion agenda elements
- Again issue of UNFCCC's principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) would take centre-stage between developed & less developed nations.
- "Balance" between issues like mitigation on one hand and adaptation as well as loss & damages on the other. The same got expressed at the Global Goal on Adaptation (GGA) and the Glasgow Dialogue on Loss and Damage of the formal agenda of the Bonn conference (October 2022).
- Balancing agenda items on the two tracks of Blue Zone & Green Zone over the 2 week discussions
- To oversee pledges by Non-Party actors – there is a flood of climate action pledges & announcements which could derail Implementation focus at COP 27.

WHY DO WE NEED COP MEETINGS?

Human-caused emissions, primarily from the combustion of fossil fuels like coal, oil, and gas, are to be blamed for global warming.

According to the Intergovernmental Panel on Climate Change, which is



comprised of climate scientists from the UN, global temperatures have increased by 1.1°C and are on track to reach 1.5°C.

According to the IPCC, half of the world's population might be exposed to heat and humidity that pose a hazard to their lives if temperatures increase by 1.7°C to 1.8°C above levels from the 1850s.

To avert this, 194 nations signed the Paris Agreement in 2015, vowing to "pursue efforts" to limit global rising temperatures to 1.5°C.

WHO WILL ATTEND THE COP27?

Over 200 governments have been invited.

However, certain prominent figures, such as Russian President Vladimir Putin and UK Prime Minister Rishi Sunak, are not anticipated to attend. These nations still have representatives scheduled. China and other nations have not declared whether their leaders would attend. Businesses, think tanks, community organisations, religious organisations, and environmental charities will all participate.

WHY IS THE 27TH COP IN EGYPT?

Africa will be hosting the COP for the fifth time.

The governments of the area are hoping that it would highlight the serious effects of climate change on the continent. According to the IPCC, Africa is one of the world's most vulnerable continents.

However, there has been debate concerning the venue's selection of Egypt.

Some environmental and human rights activists claim that since they have criticised the government's record on human rights, they have been barred from the event.

WHAT HAPPENED TO KEY COMMITMENTS MADE AT COP 26 - GLASGOW 2022?

For first couple of days' there would be questions on updates/progress of the key commitments made at COP 26 –Glasgow 2022 that would occupy the centre-stage. Few of the key commitments from last year are listed as below:

As the first major deal at the COP 26 event, a pledge of almost £14 billion (\$19.2 billion) of public and private funds had been undertaken to put an end to deforestation. The global leaders agreed to join forces to combat deforestation by 2030, while ensuring the following key points as part of the declaration:

- Forest conservation and conservation of other terrestrial ecosystems accelerate their restoration.
- Facilitation of trade and development policies.
- Building resilience and enhancing rural livelihoods, in accordance with relevant national legislation and international instruments.
- Implementation and redesigning of agricultural policies and programmes.
- Reaffirmation of international financial commitments.
- Increase in investments from public and private sources for forest management and local communities.
- Aligning financial flows in line with international goals to preserve forest land and avoid degradation.

A series of agreements between groups of countries have been announced so far:

- The US and China agreed to collectively work this decade to limit global temperature rise to 1.5°C
- An incredible number of over 100 world leaders promised to reverse and

consequently end deforestation by 2030


- The US and EU announced a global partnership to cut emissions of the greenhouse gas methane by 2030

- Tracking progress over 40 countries committed to move away from coal

- A new alliance to be launched focussing on setting a date to ending oil and gas use and halting grant of new licences for exploration

WHAT WILL THE FOCUS OF THIS COP BE?

Right now, the world is still far from accomplishing the goals set forth in the Paris agreement to minimise climate change. In 2015, 195 nations, including India, signed the Paris Agreement, pledging to keep global warming far below 2 degrees and to pursue measures to keep it below 1.5 degrees. Along with addressing loss and damage brought on by climate change, countries also resolved to speed up action on numerous other fronts and increase support for climate action in poorer nations. It was a crucial step in tackling the world's climate change problem. The most recent research confirms that going beyond the temperature goal of the Agreement will be terrible for humanity, resulting in disastrous extreme weather conditions and possibly unliveable conditions.

The meeting this year is being referred to as an "implementation COP," where discussions will be concentrated on implementing plans to achieve earlier agreed-upon benchmarks. A new finance plan for tackling loss and damage from climate change will be developed, with a particular focus on solidifying earlier climate financing pledges. 



Sonal Verma leads the ESG Practice in the firm as a Partner and Global Leader – Markets & Strategy. With his crossroad working with business & laws – he brings advice & technology for effective change management in the journey of ESG. Sonal is well acclaimed for his work in regulatory & compliance programs over the last decade. He had in the past worked with 1800 plus clients in India and 61 other countries globally. He has worked with the top 3 unicorns and many Fortune 500 companies. His clients have been across different industries, viz. Automotive and OEMs, Pharma and Life Sciences, Manufacturing, Chemical Industry, BFSI, Infrastructure and Utilities (including stateowned PSUs), e-Commerce and Fintech Companies, Diversified Conglomerates etc.



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