A COP of Action, A COP for All

Sultan Al-Jaber

CLIMATE change is an existential challenge. It threatens the global economy and the natural world. It creates and compounds national security risks, forces migration, and degrades human health. At the same time, climate action is a profound opportunity with immense economic, environmental, and social benefits. As the world continues to experience increasingly severe climate-related impacts, and as the positive benefits become only more apparent, the imperative for bold climate action has never been greater. The science, and the economics, are clear.

If the world is to change course, it needs to rethink, reboot, and refocus the global climate agenda. Global policymakers have convened 27 times over the last three decades for the UN Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) to negotiate climate action. While these COP convenings have achieved progress, most notably through the Paris Agreement, the world is still a long way from its net-zero goals, and the urgency to act is growing by the day. Emissions must be halved by 2030 to remain on target. We only have another seven years to meet that goal.

The COP28 climate conference—to be held in the UAE in November 2023—must be a different type of gathering. The world is in a 'make or break' decade for global climate action. And the decisions and policies that governments put in place in the next seven years will have a profound impact on the world's ability to avert the worst impacts of climate change.

As host of COP28, the United Arab Emirates is acutely aware of its responsibility to bring diverse communities together at this consequential moment. We recognize that the low-carbon energy transition will be both an enormous challenge and a massive economic, environmental, and social opportunity. The UAE has learned a great deal since it successfully launched Masdar, the UAE's leading renewable energy company, in 2006. We will draw on our experience in pivoting towards renewables to help drive support for accelerated action. We are committed to an ambitious agenda that is grounded in pragmatism, results, and reform. Nothing less will be needed to put the planet on a more sustainable path. Fortunately, the world is past the point of debating whether to drive towards a decarbonized global economy. Now, the question is how to get there faster and together.

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Dr. Sultan Al-Jaber

A Bold and Pragmatic Transformation

The international community needs to embark on the global energy transition with speed and scale, but also with a greater sense of realism. Policymakers need to be clear-eyed about the nature of the challenge and the dangers of a disorderly transition. And they need to grapple with some uncomfortable realities about the road ahead.

Dr. Sultan Al-Jaber *is President-Designate of COP28, the 2023 UN Climate Change Conference. He is Minister of Industry and Advanced Technology of the United Arab Emirates, and Managing Director and Group CEO of the Abu Dhabi National Oil Company.*

The *first* reality is that the world is not on track to meeting its climate goals. The Paris Agreement established the goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C. However, if all of the existing climate pledges, or Nationally Determined Contributions, filed with the United Nations Framework Convention on Climate Change (UNFCC) are met, temperatures will still rise by about 2.5 degrees. Governments need to raise their ambitions and, more importantly, turn ambition and words into action. Investments and concrete projects are needed to deliver on pledges.

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The *second* is that the energy transition will be the most difficult industrial transformation in history. It will require a rapid and fundamental rewiring of the global economy, demanding changes to nearly every aspect of modern society. Every nation will need to rethink how it grows food, manufactures products, generates electricity, heats and cools buildings, and provides transportation—all for a global population that is expected to grow to over nine billion by 2050.

While each of these systemic changes is in itself a major undertaking—with clear upfront costs—the benefits in the long-term far outweigh the costs in the short-term. Innovation spurs economic growth, creates jobs and livelihoods, and boosts productivity.

The transformation of the global energy system will not happen at the flip of a switch. And policies that aim to pull the plug on the existing energy system before a new one is built is a recipe for future energy crises. Consider that in 2019, over 80 percent of the world's energy came from fossil fuels, according to Our World in Data. By comparison, wind produced 2.2 percent, and solar produced just over 1 percent of the world's energy. To be clear, the world needs to be increasingly powered by renewables—solar, wind, geothermal, tidal, and biomass. And this change is already underway, with growth in renewables far outpacing investments in other areas year upon year. But there is a lot of ground to be covered as renewables catch up to and overtake hydrocarbons. Even under the most ambitious energy transition scenario, the world will still need some oil and gas, potentially for decades to come.

A *third* reality is that governments need to do more than just scale already-green industries like electric vehicles and renewable energy. They also need to clean up the high-emitting and hard-to-abate sectors, like cement, aluminum, steel, petrochemicals, and fertilizers. In many cases, these sectors are inherently carbon-producing, and there are no easy, cost-effective means to decarbonize them. Therefore, these sectors all need greater incentives for greener (if not necessarily green) activities. It will also be crucial to mobilize the industrial and infrastructure expertise of the energy sector. We need the oil and gas giants of today to invest in the energy systems of tomorrow, leveraging their vast networks, experience, resources, and reach in the process.

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For this to be possible, however, these players need to have a seat at the table. Energy companies and other high emitters need to remain engaged in global climate talks. After all, these companies will have an outsized impact on the speed and trajectory of the transition. They will play a much more constructive role in the energy transition if they are not restricted or discouraged from participating. Of course, energy companies must do more to earn the public's trust on climate. They cannot simply issue empty words that deflect from their responsibility to take action. They need to make concrete commitments and develop transparent plans for how to implement change.

The *fourth* reality is that the world is going to experience climate-related weather shocks for many years to come because of the greenhouse gasses that have already accumulated in the atmosphere. This would be true even if emissions were cut to zero tomorrow. What this means is that governments need to double down on adaptation and resiliency efforts, like water conservation measures, weatherizing power lines, and reinforcing sea walls to protect coastal communities. The Global Commission on Adaptation also estimates that investing $1.8 trillion in adaptation over a decade will generate over $7 trillion of net long-term benefits.

This will be especially important in the Global South, where many developing economies are disproportionately threatened by climate shocks due to lower levels of economic development and weaker infrastructure. In Pakistan,

for example, the unprecedented flooding last year—which affected 33 million people and killed over a thousand—was made much worse because of old drainage and sewerage systems. Rich countries have a special responsibility to rectify a fundamental injustice—that those least responsible for climate change are bearing its worst effects—through Loss and Damage support.

For the energy transition, the focus on adaptation and resilience must be baked into investments and actions. As we roll-out new infrastructure projects, the threat of climate impacts must be factored into consideration and accounted for. The UAE's recent investment in Antigua and Barbuda, resulting in hurricane resistant renewable energy systems, is a good case in point. Only a few years ago, the island of Barbuda was devastated by Hurricane Irma. With many small islands residing in storm-prone regions, such resilient infrastructure will only be more important going forward.

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The Climate Opportunity

There is no doubt that unabated emissions will create new and serious risks. But while it is essential to acknowledge and deal with the dangers of a warming world, it is equally important to recognize and harness the opportunities that will arise from the energy transition. Businesses, governments, and civil society all have an important role to play.

Increasingly, CEOs understand that climate risk is material, and that embracing sustainable business practices means getting ahead in a net-zero world. Companies that act now—investing in low-carbon solutions, reconfiguring their supply chains, and holistically re-examining how they do business—will gain a strong competitive advantage over those that sit on the sidelines.

The global energy transition will ultimately be a multi-trillion-dollar opportunity that will create new jobs, new firms and entirely new industries in response. These jobs will span sectors from electrical efficiency, automotives, and grid modernization.

Governments also have an opportunity to achieve broader economic and social benefits from the energy transition. For example, governments that design and implement carbon pricing systems have the potential to raise significant amounts of revenue. In 2020, governments raised over $50 billion from such schemes. This money can ultimately be channeled to investments in public priorities, like education and infrastructure.

The energy transition also has the potential to dramatically improve the world's health. If governments are able to meet the goals of the Paris Agreement, roughly a million lives a year could be saved worldwide by 2050 through air pollution reduction alone, according to estimates by The World Health Organization. In addition, meeting the Paris goals could, over the long term, reduce the spread of vector-borne diseases, such as malaria.

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Lastly, there is an opportunity to reduce the growing trend of climate-induced weather shocks and the instability that can follow. Increasing climate finance to countries, particularly in the Global South, will protect some of the world's most vulnerable populations and spread the benefits that will result from the global energy transition.

Pragmatic Decarbonization & Energy Transition in the UAE

The UAE is acutely aware of the need to transition to a more sustainable economy for all. Its experience and record can help to show the way for other countries to develop low-carbon solutions—innovating the climate technologies of the future and offering a model for other oil-producing nations to follow.

Take its efforts on renewable energy. The UAE began initial investments in the renewable energy space over 16 years ago. Today, it operates three of the largest and lowest-cost solar plants in the world. To date, the UAE has invested $50 billion in renewable energy in over 70 countries and has pledged to invest over $50 billion in clean energy projects at home and abroad over the next decade, especially in the Global South.

Or look at the country's efforts to incorporate nature-based climate solutions. The UAE is investing in a significant expansion of the country's mangroves, which have the triple benefit of preventing coastal erosion, encouraging biodiversity protection, and serving as natural carbon sinks that capture roughly four times more carbon per hectare than rainforests, because they capture carbon day and night as opposed to only daytime. The UAE is well on its way to the goal of 100 million mangroves planted by 2030.

Another way that the UAE is leading is through investments and innovations in new zero-carbon fuels. For example, the country is a pioneer in the exploration of hydrogen—a fuel that currently has a limited market, but that could form a significant segment of the energy system within the next 20 years. The UAE has six hydrogen projects worth $1.7 billion under development, and is on track to significantly increase its market share of the world's low-carbon hydrogen.

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With these investments in emerging technologies, the UAE aims to become a competitive global supplier of hydrogen and expand the hydrogen value chain. Already, the UAE has delivered demonstration shipments of low-carbon ammonia to Germany, South Korea, and Japan.

In addition to promoting inherently green sectors, the UAE is leading groundbreaking efforts to decarbonize the high-emitting sectors. For example, the UAE developed, Al-Reyadah, the region's first commercial-scale carbon capture, utilization and storage (CCUS) facility, which captures and processes some 800,000 tons per year of CO2 from Emirates Steel Industries. These efforts, combined with geographical conditions, mean that the UAE's hydrocarbons are among the least carbon-intensive in the world. The carbon intensity of its crude grade (Murban) is less than half the industry average, and the UAE is committed to reducing the carbon intensity of its operations a further 25 percent by 2030.

The UAE's efforts are guided by an understanding that the climate challenge will be solved not by empty promises, but by technological progress, engineering breakthroughs, and practical solutions that reduce emissions. The UAE has always seen climate action as an opportunity. And that opportunity will present itself in historic form this year at COP28.

Vision for COP28

COP28 will mark the conclusion of the first Global Stocktake of the Paris Agreement. While we cannot prejudge the final outcome, all current metrics show major gaps between stated ambition and current reality. How the world responds to this assessment will define success or failure in this crucial decade for the climate and will build momentum for future progress.

The UAE will use the COP28 Presidency to respond to the Global Stocktake with a pragmatic, solutions-oriented and science-based approach. This will be a COP for Action and a COP for All, built on a foundation of scientifically backed, innovative solutions, and built on the principles of pragmatism and inclusivity.

Ultimately, the world must move from an era of global pledges to one of national and local implementation. This will include the energy transition, but also solutions geared toward food and land use systems reform.

The UAE's vision is five-fold. *First*, we will work to create a more inclusive process, and a more accessible conference. COP28 will leverage the diverse views of the various stakeholders across government, the private sector, and civil society. It will incorporate voices and expertise from youth activists and indigenous communities to NGO leaders and corporate CEOs. It will solicit input and solutions from the Global South as well as the rich industrialized nations, and work to build consensus among all parties.

Second, we will push for mitigation solutions to reduce the world's emissions. COP28 offers an opportunity to raise ambitions and deliver on the promises of previous conferences, and an imperative to prevent countries from backsliding. It is critically important for governments to develop enhanced emissions reduction commitments ahead of the conference. But ultimately, the world must move from an era of global pledges to one of national and local implementation. This will include the aforementioned energy transition, but also solutions geared toward food and land use systems reform.

Third, we will create the conditions to deliver the Global Goal on Adaptation and help to ensure that the world is prepared for the warming that is already here. We aim to accelerate the doubling of adaptation finance, from $20 billion to $40 billion. As climate-related weather shocks become more frequent and more damaging, adaptation and resilience efforts will become ever more essential.

Fourth, we will advance the operationalization of the 'Loss and Damage' Fund that was approved at COP27. In November 2022, governments agreed to set up a dedicated fund to assist vulnerable countries respond to the impacts of climate change—those that cannot be addressed by adaptation efforts alone. Now, the task is to operationalize these commitments with financing mechanisms and technical support.

Fifth, we must ensure better, more efficient, and more equitable access

to climate finance. Transforming the global energy system will demand trillions every year and require governments to answer the call of the international community for inclusive reform of the multilateral financing system. Finance will be the key that unlocks many of the technological breakthroughs and climate solutions needed to change course. It will unlock the mitigation efforts that help countries transition to clean sources of energy. It will unlock the adaptation policies that prepare for the warming world, and the loss and damage money to support the most vulnerable populations. Governments, international financial institutions, and private finance will all play a key role.

If the world can raise ambition and accelerate action, it will represent a real sign of progress for the planet—yet one that is ultimately inadequate to the challenge posed by climate change. If, on the other hand, the international community can come together with higher ambitions, a clear way forward and the political will to implement, then the planet can truly be put on a better and more sustainable path. The COP28 promises to be the moment for just that. And the UAE intends to deliver.