

## CAFOD position paper – COP28 priorities

Climate change is not a distant threat, but a real and present danger to us all.

Communities across the world are suffering its dire consequences right now, from wildfires in [Greece](#), to floods in [Pakistan](#), to the catastrophic drought in the [Horn of Africa](#). Human-induced climate change is destroying lives and livelihoods, forcing people to flee their homes, and wiping out whole ecosystems.

As Pope Francis outlines in his recent apostolic exhortation, [Laudate Deum](#), we should see these events as “cries of protest on the part of the earth”; he calls on us and world leaders to consider COP28 as an opportunity to embark on a “pilgrimage of reconciliation with the world that is our home.” Yet faced with a growing number of catastrophes, developed countries have consistently failed every year to meet and exceed their promise, made over a decade ago, to give \$100bn a year in international **climate finance**.

Despite massive economic **losses and damages**, as well as non-economic harm caused to health, the environment, and ways of life, [adaptation](#) finance made available to address this is still wildly insufficient. The funding needed in low-income countries to adapt to climate change is [up to ten times greater](#) than developed countries are willing to provide.

COP28 can be a critical juncture in the fight against climate change. The Pope has urged that it must herald “the beginning of a new process marked by three requirements: that it be drastic, intense and count on the commitment of all.”

Following the **Global Stocktake** process, governments must urgently decarbonise the global economic system to meet the crucial Paris Climate Agreement pledge to limit global warming to 1.5°C above preindustrial levels. And this must be a just transition; emissions reductions must not be achieved at the expense of the world’s poorest people, who are [least responsible](#) for the climate crisis.

It is unjust and unrealistic to expect poor countries to change their pathways of economic development without offering the support needed for a just and **green economic transition**, and a greener, fairer **food system**. It is also unjust for historically high-emitting countries to turn their backs on poorer countries, which have already been harmed economically and ecologically by [colonial and neo-colonial policies](#).

We outline five priorities below on which the UK Government and others must deliver at COP:

- 1. Leverage innovative sources of climate finance.** Fully meet and exceed the \$100bn commitment, and unlock new finance through debt relief, Special Drawing Rights (SDRs), taxes and multilateral development bank reform.
- 2. Coordinate finance for loss and damage.** Design and operationalise sufficient funding arrangements for the new Loss and Damage Fund.
- 3. Lower emissions through the Global Stocktake (GST).** Present political and reporting milestones that enable updated and enhanced mitigation targets.
- 4. Accelerate a green energy transition.** Rapidly phase out overseas fossil fuels funding, while financing and scaling up renewable energy-powered development in the Global South.
- 5. Fix the food system.** Agree a clear mandate within the UNFCCC to reform food systems as part of climate action. This must include financial and policy support in the Global South.

### **Five priorities for delivery at COP28**

- 1. Leverage new climate finance through debt relief, taxes, SDRs and MDB reform.**

At COP15 in Copenhagen in 2009, developed countries created the goal of providing \$100bn of “new, additional, predictable, adequate, and accessible” climate finance per year by 2020. This promise has consistently been broken.

Wealthy countries’ failure to meet this target has become a stumbling block in climate change negotiations, eroding confidence and leaving poorer countries under-resourced. Developed countries need to step up and honour their commitment – and the funding needs to be ‘new and additional’, not just re-badged money allocated from other sources of development finance (as is becoming increasingly common among donor countries).

Future climate finance needs go far beyond the current \$100bn annual commitment. Developed countries therefore need to participate fully in establishing a sufficiently ambitious [New Collective Quantified Goal on Climate Finance](#) to increase this. Public finance will not provide all the money needed for it, so private finance will play a role. But this funding tends to be channelled to middle-income countries (and so far, [less than a third](#) of climate finance has gone to low-income countries). As a consequence, we need to unlock much more new finance from other innovative sources and approaches.

One of these is debt relief. Debt relief is critical to fighting the climate crisis in developing countries, which often have exceptionally high debt burdens – limiting capacity to mitigate, adapt to and recover from climate change. Up to [40 per cent of debt](#) owed by African countries is owned by private sector creditors, but many of these creditors are refusing to enter collective debt restructuring or

cancellation agreements. Governments need to take firm action, including legislation, to compel them to participate in these processes.

Governments must also implement various forms of wealth and windfall taxes on emissions-heavy industries to ensure that the world's biggest, richest polluters pay for the climate crisis that they have caused and profited from.

Wealthy countries must also redirect more of their '[Special Drawing Rights](#)' assets to developing countries, enabling more finance to be borrowed at highly concessional interest rates (in comparison to higher interest rates on standard borrowing).

Finally, governments should harness the full lending and grant-making power of MDBs by unlocking more of their funding, including through implementing the [recommendations](#) of the Independent Review of MDBs' Capital Adequacy Frameworks.

### **What needs to happen at COP28**

- The UK must make international climate finance truly 'new and additional' – and split evenly between mitigation and adaptation, as set out in the Paris Agreement. Finance for the climate cannot continue to come at the expense of humanitarian and development aid, nor be allocated through inappropriate for-profit vehicles, such as development finance institutions like British International Investment.
- Developed countries must fulfil and surpass their overdue pledge to provide \$100bn each year in climate finance, and work towards an ambitious New Collective Quantified Goal for 2025.
- The UK should pass legislation to prevent private creditors from suing countries in debt distress to force payment. The UK has an important role, given that [90 per cent of contracts](#) between private lenders and governments are governed under English law.

## **2. Design and operationalise funding arrangements for the new Loss and Damage Fund.**

The climate crisis and limited support for climate adaptation mean that many poor and climate-vulnerable communities are suffering loss of or damage to their economic assets, such critical health and transport infrastructure. Many also experience non-economic losses and damages, like the destruction of ancestral lands and ways of life.

'Loss and damage' creates a vicious cycle. Following a disaster, many low- and middle-income countries are forced to take on debt to rebuild and recover. This debt then undermines their ability to invest in climate adaptive measures to protect against future disasters. When these occur, the unmitigated devastation is therefore larger, so ever more debt has to be taken on to address the damage.

At COP27, developed and developing country Parties came together to mandate the creation of a Loss and Damage Fund that would help break this cycle through providing finance. High-income, historically high-emitting countries must take up their moral responsibility to address the climate crisis they have created, both by contributing their ‘fair share’ in international climate finance – a term which as yet does not have an official definition of what does (and does not) count – and by ensuring adequate design and financing of the Loss and Damage Fund.

### **What needs to happen at COP28**

- The UK Government must commit to providing their fair share of grant-based loss and damage finance.
- COP28 must establish and fund a rigorous, best-practice Loss and Damage Finance Facility, with plans to adequately support countries facing both economic and non-economic losses and damages.
- COP28 must set in place a process to agree a consistent, robust definition of what investments do (and do not) count as climate finance, to avoid [over-reporting](#) of international progress.

### **3. Lower emissions through the Global Stocktake (GST).**

The [GST](#) process, established as part of the Paris Agreement, will see each country review its progress towards meeting its emissions targets. The first GST will conclude at COP28 and take place every five years from then on.

The GST is essential to ensure a holistic and comprehensive assessment of the many processes surrounding COPs, to determine whether and to what extent they are bringing us closer to our Paris goals. In September, the [final technical GST dialogue](#) before COP28 confirmed that “global emissions are not in line with modelled global mitigation pathways consistent with the temperature goal of the Paris Agreement.” And currently, [only a few countries are on target](#) to meet their national emissions goals, so the GST is more critical than ever to spur bold action across sectors and geographies.

### **What needs to happen at COP28**

- The UK Government must develop clear policies to implement its current [Nationally Determined Contribution](#) commitments. And it should rapidly pursue work to increase the ambition of their NDCs for future years, through updated implementation plans.
- The COP28 Presidency must present plans for political and reporting milestones that enable delivering updated and enhanced mitigation targets.

#### **4. Phase out the funding of fossil fuels overseas, instead financing and scaling up renewable energy-powered development in the Global South.**

Accelerating the renewable energy transition domestically and internationally will help avert the worst impacts of the climate crisis, while also promoting energy security and fighting energy poverty.

The Intergovernmental Panel on Climate Change [reported in April 2022](#) that if we are to avoid the worst impacts of the climate crisis, global emissions need to peak by 2025. Sadly, the reality is that pursuing existing and planned fossil fuel projects [will violate the Paris Agreement goal](#) of 1.5°C warming; even if all 193 Parties to the Paris Agreement meet their stated climate pledges, we'll still hit [2.5°C by 2100](#).

The war in Ukraine is a stark reminder of the vulnerability of the global energy supply to shocks. We must learn the lessons of reliance on policies that lock us and developing countries into dependence on soon-to-be-stranded fossil fuel assets, which are more expensive and environmentally damaging in the long run. Moreover, we shouldn't rely on [as yet unproven technologies](#), or dubious climate offsets which [research](#) suggests are at best largely ineffective, and at worst actively harmful.

#### **What needs to happen at COP28**

- The UK must immediately stop funding all current and legacy fossil fuel projects abroad, particularly money channelled through British International Investment.
- The UK must work with other countries to ensure the inclusion of strong language to “phase out” fossil fuels in COP’s final decision text, with more countries committing to stop investment in fossil fuels domestically and overseas.
- Governments at COP28 must increase technical and financial support for developing countries for a green, just energy transition, building on the lessons learned from the approaches of the South African, Indonesian, and Vietnamese [Just Energy Transition Partnerships](#).

#### **5. Reform food systems to tackle climate change, including through financial and policy support in the Global South.**

Climate change and the COVID-19 pandemic have already revealed the fragility of the global food system, with rising food prices and the proportion of people affected by hunger [jumping to nearly 10%](#) of the world’s population in 2021. The war in Ukraine has worsened this situation further, with the impacts being felt most heavily in low-income countries – especially those dependent on disrupted food imports.

Moreover, the current global food system, dominated by industrial-scale production of commodities such as meat, sugar, soy, and palm oil, is a major driver of climate change. It accounts for [up to 30 per cent](#) of all greenhouse gas emissions (coming mainly from the mass deforestation needed to make room for commercial agriculture).

A recent study commissioned by the Foreign Office shows that only around [four per cent of global climate finance is](#) spent on food systems, and just a tiny fraction of that goes to smallholder food producers in developing countries. This is particularly problematic because these farmers provide up to [80 per cent](#) of the food produced in many poorer and climate vulnerable countries, around 15 per cent of the GDP, and 40 per cent of the jobs.

There is growing [evidence](#) that promoting biodiverse food systems and markets at the community, regional and national level can tackle food insecurity, protect nature, and respond to climate change effectively. Regrettably, this is [woefully underfunded](#). Instead, leaders have reached for [solutions](#) that will just compound future crises, based primarily on intensified production of too few staple crops. This leaves communities more vulnerable to hunger, when an extreme event destroys the one type of crop they have come to rely on.

### **What needs to happen at COP28**

- The UK Government must develop a cross-departmental strategy to provide support for more resilient food systems internationally. This should focus financial and technical support towards small-scale farmers and away from big agricultural companies that are damaging the environment.
- COP28 must agree on a concrete roadmap for the Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security, with meaningful UK engagement. This should include a governance framework with clear objectives and specific workshops on agroecology and fisheries, due to their transformative potential for poverty and climate.
- Initiatives within and without the formal UNFCCC process at COP28 must lead to an increase in climate finance and policy support for smallholder food producers in developing countries.
- The first Global Stocktake outcome should encourage countries to integrate food systems into respective sectoral policies and measures through NDCs and national adaptation plans.

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