

# **COP28:**

# **Key Outcomes for Cities**



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## INTRODUCTION

The United Nations Climate Change Conference (COP28) held in Dubai concluded in December 2023. Nearly 200 parties came together to negotiate the world's first 'global stocktake' of the reductions in greenhouse gas emissions necessary to keep the global temperature increase to 1.5 degrees. In addition, parties discussed and agreed a global approach to loss and damage (particularly within the Global South), to accelerate climate finance, and to ensure the transition to a low carbon economy is just and protects nature.

There was a general agreement at COP28 that progress to date on these areas had been relatively slow, with estimated greenhouse gas emissions for 2030 currently placing global warming on track to increase by 2.5 degrees by the end of 2100.

This paper summarises the key outcomes from COP28 discussions and explores what these mean for urban areas that are home to most of the global population and are key nodes of political and economic activity.

## OVERVIEW OF COP28 OUTCOMES

### KEY OUTCOME 1: NDCs NEED TO BE ENHANCED IN THE FIRST GLOBAL STOCKTAKE ON FOSSIL FUELS

COP28 was the first time that a 'global stocktake' on reducing greenhouse gas emissions, building climate resilience, and mobilising finance was negotiated; it evaluated each nation's progress to date on reaching key priorities of the Paris Agreement. Further, with regards to greenhouse gas emissions, it was agreed that Nationally Determined Contributions (NDCs) need to be enhanced. In addition, there was consensus amongst nearly all parties that the transition away from fossil fuels is essential with parties agreeing to triple renewable energy capacity and double energy efficiency by 2030.



Fossil fuel use within the global energy system was discussed with higher income countries agreeing to lead the transition. This represents a key success for COP28, as it was the first time the term 'transition away from fossil fuels' appeared in a COP agreement. It marks the phasing out of fossil fuel dependency and use, a significant contributor to global temperature increase.

## KEY OUTCOME 2: RENEWED COMMITMENT TO PROVIDE CLIMATE FINANCE

A critical enabler of transitioning towards net zero greenhouse gas emissions is finance - accessing and deploying it to deliver on climate targets. COP28 acknowledged the finance gap between current finance available and finance required - approximately \$41 trillion for decarbonisation targets by 2030. The finance challenge is felt particularly within lower income countries where investment required for mitigation actions is a significantly larger proportion of their GDP compared to higher income countries. Investment in adaptation financing is also critical with over \$600 billion currently required annually up to 2050 (which is over ten times greater than current investment).

COP28 negotiated how to address the funding gap and committed to \$57 billion in climate finance – progress, though not enough to address the investment gap. However, alongside these discussions, parties debated how to use policy, innovation, and stakeholder collaborations to access more climate finance for decarbonisation and adaptation projects.

## KEY OUTCOME 3: OPERATIONALISE LOSS AND DAMAGE FUND

An historic agreement was made on day one at COP28, to operationalise a Loss and Damage fund for those developing countries that are currently vulnerable to the impact of climate change (e.g. rising sea levels, heat waves, storms and floods). Many countries such as the UK, USA, Germany, and UAE have so far pledged \$700m of investment.

However, this is still not enough to cover the losses faced by lower income countries; the investment type matters, too – grants are preferred over loans. Further, the details around the timing of investment pledged are yet to be decided.



## KEY OUTCOME 4: PRIORITISING A JUST TRANSITION AND PROTECTING NATURE

One key focus of COP28 was the emphasis on a just transition towards climate targets. A just transition prioritises human rights to ensure that socio-economic inequalities are not widened due to climate action (directly or indirectly). Many groups in society are often excluded from the economy (e.g. do not have access to employment or job security, etc.) such as those from lower income countries and women.

The focus on a just transition also incorporates nature, and at COP28 an agreement was made on reconciling the climate and nature agenda. The accelerated destruction of nature has resulted in biodiversity loss across the globe. Negotiations included consideration of the climate-health nexus, that recognised the wider health and well-being benefits of nature and the need for a more inclusive approach to addressing climate change post-COVID19. Parties at COP28 discussed what action could avoid, reduce or mitigate the negative impact on nature as well as how to invest in nature's recovery. As such, parties agreed to commit to carbon and nature credits (e.g. supply of forest carbon credits) and new investments in nature (e.g. framework for carbon credits).

## WHAT DOES THIS MEAN FOR CITIES?



With a pronounced and persistent global population shift to urban areas (which will total 68% of the population living in cities by 2050), COP28 acknowledged the role of urban areas in the transition to a low carbon and resilient economy, by hosting the first [Local Climate Action Summit](#). The impact of climate change on urbanisation must be addressed to meet the objectives of the Paris Agreement. City representatives argued for a formal recognition regarding the role of sub-national governments in the COP28 discussions, how to scale up climate action through multi-level governance approaches (and across sectors) as well as accessing and deploying financing and technical support to cities. The outcomes directly impact cities:

- (1) Global stocktake: Reducing global greenhouse gas emissions relies heavily on reducing urban emissions (as they can contribute a significant amount to national government's NDCs). Cities are at the forefront of monitoring data to decarbonise their energy systems

and are working with local stakeholders to test/pilot new localised low carbon energy systems that can be scaled and replicated.

- (2) Climate finance: Cities are identifying innovative approaches to access and leverage finance for mitigation and adaptation actions/projects (e.g. from green bonds to carbon pricing/tax etc.)
- (3) Loss and damage: Resilient infrastructure is being developed by cities to protect people, services, and assets from climate hazards/risks (e.g. from extreme weather events).
- (4) Just transition and nature: With growing populations, cities are exploring ways to protect vulnerable communities from the impacts of climate change and to ensure that climate action does not negatively impact vulnerable groups (e.g. older citizens, children etc.). In addition, restoring nature within urban areas (e.g. green space) is being introduced to reduce the impact of heatwaves, improve air quality and citizen well-being.

Many argue that the climate crisis will be decided in cities and recommend that future COPs consider this within negotiations. This would shift emphasis away from nation states to cities and thus would rearrange negotiations to give cities a 'seat at the table'. Urban areas play a crucial role in delivering the Paris Agreement objectives as they develop low carbon and resilience infrastructure, create green jobs, and improve health and wellbeing.

## CONCLUSION

Although the outcomes presented in the document represent key and major progress made across the four pillars, they are not an exclusive list of outcomes of the global climate action agenda throughout the two weeks.

COP28 highlighted the urgency to address climate change more broadly and the need to shift the narrative to delivering on climate action. The key takeaways on enhancing NDCs, shifting the energy system towards low carbon alternatives, leveraging climate finance, funding loss and damage, protecting citizens health and the acknowledgement that a just transition that protects nature are significant steps. The negotiations have accelerated the need for more cross-sectoral collaboration, fostering inclusivity in our pursuit of a resilient 1.5°C world that leaves no one behind.

Saying that, much work still needs to be done: more ambitious emissions targets are required and more finance leveraged to truly deliver on the Paris Agreement objectives.



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