

COP28 Yields First-Ever Global Deal to Transition Away from Fossil Fuels

6 MIN READ

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A man walks past a COP28 sign at the venue of the U.N. climate summit in Dubai on Nov. 30, 2023. (JEWEL SAMAD/AFP via Getty Images)

The COP28 agreement on transitioning away from fossil fuels is a significant rhetorical milestone, but the deal's lack of specifics and weak language on climate finance will likely limit its overall impact. This year's U.N. climate summit has ended with the signing of the first-ever global agreement to reduce all fossil fuel consumption. In the final COP28 deal announced Dec. 13 after extended negotiations, over 200 countries agreed to begin "transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science." While it does not include language regarding a phase-out of hydrocarbons desired by Western countries and small island nations, the final agreement is still stronger than the previous draft text, which lacked any language referencing the need to reduce fossil fuel consumption. The historic agreement also marks the first time countries have agreed to transition away from fossil fuels in a

global climate deal. However, the deal has been criticized for not going far enough in addressing developing countries' financing needs, as the final text omitted previous language that called on developed nations to help fund poorer nations' climate ambitions.

- As part of the COP28 deal, countries also agreed to reduce vehicle emissions and endorsed the "rapid deployment" of low-emission and zero-emission vehicles.
- Countries agreed to triple renewable energy capacity globally by 2030 as well, and to accelerate the use of low and zero-emission technologies, including nuclear, renewables, and carbon capture utilization and storage (CCUS).
- In addition, the agreement calls on countries to update the 2030 targets of their nationally determined contributions (NDCs) to reduce emissions under the 2015 Paris Agreement by the end of 2024.

The language around reducing fossil fuel consumption comes after the Paris Agreement's first global stocktake found that countries had made insufficient progress toward combating climate change. The global stocktake is a key part of the Paris Agreement that is used to assess its signatories' collective progress in implementing and achieving the goals outlined in the 2015 climate pact. The technical reports of the global stocktake released earlier this year found that global climate ambitions were "not on track" to reach the Paris Agreement's goals of limiting global warming to 1.5 or 2 degrees Celsius above pre-industrial times. These findings gave Western countries political ammunition to push for the COP28 agreement to include the strongest language on record yet regarding a phase-out of fossil fuels, which was ultimately shot down by other countries like Saudi Arabia and other oil producers in negotiations. The stocktake also found that developing countries' access to climate finance needed to improve to achieve the agreement's goals, which previous drafts of the COP28 agreement sought to address by calling on developed countries to provide long-term financing and technology to their developing counterparts. But that language was watered down as well amid pressure from Western negotiators, with the final text of the COP28 deal instead only calling for "enhanced international support."

- At the beginning of COP28, negotiators also approved the establishment of a loss and damage fund, which aims to provide financial support for developing countries facing the consequences of climate change. However, by the end of the U.N. summit, the fund had only attracted about \$650 million in contributions when the total funding needed to help developing countries likely measures in the billions. This is not the first time that Western countries have skirted around concrete financial commitments and left calls on financing unfulfilled, as they also missed a 2009 goal to increase climate finance globally to \$100 billion per year by 2020. Funding shortfalls are unsurprising as getting governments to approve billions of dollars in climate finance for other countries has long been seen as a politically tall order. This is particularly true in the United States, which only agreed to contribute \$17.5 million to the loss and damage fund, knowing that larger financing would not be approved by Congress — and in particular, the Republican-controlled House of Representatives.

The COP28 deal will likely only lead to a marginal reduction in global fossil fuel consumption compared with previously expected declines due to its vague language and various loopholes. Prior to the COP28 summit, most estimates pegged oil and natural gas consumption to peak around 2030 and then plateau for much of the following decade; coal consumption, meanwhile, is projected to already be peaking. However, the text of the COP28 agreement only calls on countries to generally start transitioning away from fossil fuels this decade, without including specific reduction requirements. With the world already on track to begin reducing fossil fuel consumption, this will essentially enable countries to fulfill the COP28 agreement's goal without having to take more aggressive measures. Given that the deal does not mandate an absolute phase-out of hydrocarbon consumption, the language is also vague enough that the world's largest oil consumers (like China and India) may not need to change their behavior to begin this transition from fossil fuels. Countries like India, for example, can argue that they are reducing the share of fossil fuel-powered vehicles as a share of the overall vehicle fleet (which is growing) to fulfill the agreement's requirements. In addition, the final language of the COP28 deal includes several carve-outs that will further limit its actual impact on reducing global fossil fuel

consumption. For instance, the agreement strongly supports the use of new carbon capture technologies as a way to continue burning fossil fuels while simultaneously reducing emissions. It also calls for the transition away from fossil fuels to occur in a "just, orderly and equitable manner," implying that wealthier countries should reduce fossil fuel consumption sooner than developing countries, which could enable the latter to delay and even weaken their concrete climate commitments. Moreover, Western countries are unlikely to change their behavior as it relates to fossil fuel consumption based on the final COP23 agreement. This is because climate commitments made during COP summits — and all U.N. negotiations — are almost always weaker than those made at Western-led forums like the European Union (which signed the ambitious EU Green Deal in 2020) and the Group of 7 (whose members have already agreed to predominantly decarbonize their energy sectors by 2035). In addition, growing skepticism of climate science and the energy transition among far-right politicians in Western countries, particularly the United States, will likely erode the impact of the COP28 agreement over time — especially if former U.S. President Donald Trump wins another term in 2024, which would likely lead to the United States again withdrawing from the Paris Agreement and climate talks.