**COP28 commitments**

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COP28 began on November 30 in Dubai. Climate finance will be one of the most important areas and core of the negotiation process during this climate conference.

Climate change financing can be divided into three broad categories: Green Climate Fund, Loss & Damage Fund, and carbon markets. Green Climate Fund is a major source of funding to support mitigation and adaptation efforts. It was established in 2010 under the United Nations Framework Convention on Climate Change (UNFCCC). The aim was to collect $100 billion annually to reduce climate change impacts in developing countries.

The GCF is mandated to spend its 50 per cent sources on mitigation efforts and the remaining 50 per cent on adaptation efforts in developing countries. Mitigation refers to all efforts and initiatives to reduce carbon emissions. Examples of such initiatives would include projects related to renewable energy, forestation, etc.

Adaptation refers to countries adapting to climate change conditions. One of the examples of this is modifications in crop growing according to changing rain patterns and increasing temperatures.

The GCF targets different areas of mitigation and adaptation like agriculture, forestry, land use, industries and appliances, ecosystems & ecosystem service, energy, health, food and water security, infrastructure, livelihoods of vulnerable communities, and transport etc.

The GCF supports developing countries in the form of grants, loans, and equity. According to the Green Climate Fund, six projects in Pakistan including two for mitigation and four for adaptation have been approved. The projects include: the Community Resilient Partnership Program; Recharge Pakistan: Building Pakistan’s resilience to climate change through Ecosystem-based Adaptation (EbA) and Green Infrastructure for integrated flood risk management; Pakistan Distributed Solar Project; Transforming the Indus Basin with Climate Resilient Agriculture and Water Management; Green BRT Karachi; and Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan.

Despite the progress made in running the GCF, the target to collect $100 billion could not be achieved. Developing countries like Pakistan are the most impacted by climate change disasters despite their minimum contribution to global carbon emissions. Countries like ours also require huge financial and technical support from developed nations to fight climate change on a war footing.

COP28 provides an opportunity to all developing nations to plead their case strongly to demand more financial contributions from rich nations in the GCF to support mitigation and adaptation efforts to fight climate change.

The most important area of climate financing is the Loss &Damage Fund, announced at COP27 and the outcome of efforts by all nations bearing the brunt of climate change in the form of various disasters. The L&D Fund was created to help nations recover and rehabilitate from climate-led disasters. The announcement was hailed and celebrated by all nations like Pakistan, facing the threats of climate change. However, the success of this Fund depends on the financial, distribution and assessment of disaster mechanisms.

COP28 attaches great significance to the L&D Fund as a report on designing these mechanisms will be presented and negotiated during the conference. The real impact and outcomes of the L&D Fund can only be achieved if substantial funding is not only announced but also collected in the coming years. During COP28, developing nations can also bargain to introduce a carrot and stick formula to ensure the collection of funding to achieve the targets of the Fund.

The third important area of climate finance is carbon markets. Carbon markets is a mechanism of trading carbon emissions based on two types of trading systems – compliance and voluntary markets. Compliance markets are binding on nations, companies, and individuals and work under the obligations of international and national legal instruments whereas voluntary carbon markets are on a volunteer basis.

For example, many industries invest in plantation projects under CSR. COP28 is also important for discussing a design to strengthen carbon markets. Developing nations can use the COP28 platform to showcase their progress on carbon markets, learn from the experiences of other nations, discover opportunities for collaboration, and seek technical and financial support in this area. However, some challenges like exact quantification of carbon emissions to trade, questions on the real-time contribution of carbon markets in reducing emissions, etc are still to be resolved.

COP28 is a global platform for all nations to take serious action to protect our planet from climate change disasters. Climate finance is an imperative during the negotiation process of COP28. Many important proceedings regarding climate financing during COP28 will also define the solid commitments of nations to fight climate change.

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