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Cop 27... cop out again?

COP 27, hosted in Egypt, convened against a backdrop of geo-political tensions and the ever-presence of extreme weather events. Europe had experienced its hottest summer in 500 years and a third of Pakistan had been submerged under water to name just a couple of examples. Going into the event, developed countries were in focus given their previous commitments to provide climate finance of \$100 billion per year to assist developing countries, which so far has not materialised. This looked even less likely amongst a preoccupation by the Russian invasion of Ukraine and the worsening cost of living crisis. There was a deep sense of frustration amongst developing countries, who have done the least to cause climate change, but are amongst the world's most vulnerable to the consequences of it.

Data suggests that about \$2 trillion will be needed each year by 2030 to help developing countries. The finance is needed to assist poorer countries in their transition away from fossil fuels and to invest into renewable and low-carbon technology, whilst also adapting to the increasingly extreme consequences of climate change. The Prime Minister of Barbados was particularly critical of industrial nations for failing the developing world on the climate crisis. She said that the prosperity, and high carbon emissions, of the rich world had been achieved at the expense of the poor in times past and that now the poor were being forced to pay again as victims of the climate breakdown they did not cause.

A loss and damage fund had been a key ask of the Pacific nations for decades in climate negotiations as they are among the most vulnerable to the impacts of climate change. Its inclusion in the COP27 agreement will be seen as historic but the devil will lie in the detail as to who will fund it, who will receive funds and for what purposes. Will the likes of China and the oil-rich Persian Gulf States contribute or be eligible to receive? This is why blocs such as the EU did not want a new fund, instead they wanted more of a "mosaic" approach that would involve funding from many institutions, such as the development banks, climate funds and national funds. This did not wash; many just saw further attempts from developed countries to delay providing finance and to kick the can down the road.

The talk around the loss and damage fund was very focussed on mitigating the effects of climate change. What was noticeable at COP27, the first one to invite oil and gas companies, was the lack of progress on reducing emissions. Many frustrated negotiators blamed oil and gas producing countries, led by Saudi Arabia, who had been emboldened by the global energy

crisis. This allowed them to flex their muscles and take advantage of their close relationships with the host country, Egypt, to prevent talk around the phasing out of fossil fuels. There were no commitments to phase down fossil fuels whilst there was ambiguous language around “low emissions energy”. Some experts have warned that this could open the door to some fossil fuels being considered part of a green energy future.

An interesting dynamic, that commentators have noted working against developed nations, was the anger felt by developing nations towards the G7 who they see as tone deaf and lacking in understanding. This has been a culmination of the last few years from the handling of Covid-19 and the lack of equitable vaccine distribution. Add to this third world debt, the energy crisis and the food crisis. As Kenyan environmentalist Wanijira Mathai put it, climate action in richer countries is associated with restraining energy use, eating less meat and reducing flights. But facing malnutrition and blackouts, many Africans need more protein and energy. The West can also be seen as hypocritical and no longer having credibility in leadership. The UK, for example, recently offered new licenses for North Sea gas exploration. Why should developing nations stop exploiting their reserves for economic growth as developed countries have done historically and seemingly continue to do so?

The final agreement largely preserved the text of the Glasgow accord, but did not contain measures sought by developed countries that would go beyond the Glasgow pact to keep the 1.5-degree climate target within reach. One of the main aims was to hit global peak emissions by 2025, but this did not survive the negotiations. COP27 will be seen as failure and a blow to keeping 1.5 alive in the developed world, and with next year’s meeting being hosted by the UAE, there is little optimism for progress. In contrast, developing countries will see the concept of a loss and damage fund as momentous and something that has been a long time coming.

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