



Welcome to the **sixth edition** of **P<sub>2</sub>N<sub>0</sub>** covering our take on the key outcomes from **COP 28** (the **COP-28 Special Edition**).

On **January 15, 2023**, the **seventh edition** of **P<sub>2</sub>N<sub>0</sub>** will be published, covering key news items arising during calendar year 2023, and providing a look forward to 2024. The **eighth edition** of **P<sub>2</sub>N<sub>0</sub>** will be published during the first week of February 2024, and will include news items arising during January 2024.

For clarity and emphasis, **P<sub>2</sub>N<sub>0</sub>** does not cover news items in a negative way, recognizing the need for the facts and the best science to be front and center. As such, **P<sub>2</sub>N<sub>0</sub>** does not provide negative opinion.

Access previous editions of **P<sub>2</sub>N<sub>0</sub>** by clicking [here](#).

## Edition 6: COP-28 Special Edition

### HEADLINES FROM COP-28

#### Background:

From **November 30, 2023**, to **December 13, 2023**, the twenty-eighth **Conference of Parties** of the [United Nations Framework Convention on Climate Change \(UNFCCC\)](#) took place in **Dubai**, in the **United Arab Emirates (COP-28)**.

The [Paris Agreement](#) was agreed by Parties to the **UNFCCC**, and provides the focus for each Conference of Parties<sup>1</sup>, at **COP-28** there was particular focus on the first **Global Stocktake**<sup>2</sup> provided for by **Articles 4.9** and **14**<sup>3</sup>.

In the context of the first **Global Stocktake**, a number of matters came into stark-focus, resulting in the need to extend **COP-28** from **December 12** to **December 13, 2023**. Achieving progress is not easy, while what needs to be done is known (and is now recognized clearly), it needs to be done in a way in which Parties to the **Paris Agreement** work through matters to achieve consensus.

In **July 2023**, in a [Letter to Parties](#), the **President of COP-28, Sultan Ahmed Al Jaber**, identified four paradigms for **COP-28**:

1. Fast-tracking the Energy Transition and Slashing Emissions Before 2030;
2. Deliver Old Promises and Set the Framework for a New Deal on Finance;
3. Put Nature, People, Lives and Livelihoods at the Heat of Climate Action; and
4. Mobilize for the Most Inclusive COP.

Given the level and range of participation (by some estimates over 100,000 people attended) at **COP-28**, it is clear there was mobilization for an inclusive COP. While the other paradigms permeated the program for **COP-28**, the need for progress in the context of the first **Global Stocktake** was the overriding theme of **COP-28**.

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<sup>1</sup> In addition to serving as the twenty-eighth meeting of the **Conference of Parties of the UNFCCC**, among other things, **COP-28** served as the fifth meeting of the Conference of Parties serving as the Meeting of the Parties to the Paris Agreement (**CMA 5**).

<sup>2</sup> **Article 14.1:** The Conference of the Parties serving as the meeting of the Parties to this Agreement shall periodically take stock of the implementation of this Agreement to assess the collective progress towards achieving the purpose of this Agreement and its long-term goals (referred to as the “**global stocktake**”). It shall do so in a comprehensive and facilitative manner, considering mitigation, adaptation and the means of implementation and support, and in the light of equity and the best available science.

**Article 14.2:** The Conference of the Parties serving as the meeting of the Parties to this Agreement shall undertake its **first global stocktake in 2023** and every five years thereafter, unless otherwise decided by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

**Article 14.3:** The outcome of the global stocktake shall inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of this Agreement, as well as in enhancing international cooperation for climate action.

<sup>3</sup> **Article 4.9:** “Each Party shall communicate a nationally determined contribution every five years in accordance with decision 1/CP.21 and any relevant decisions of the Conference of Parties serving as the meeting of the Parties to the Agreement and be informed by the outcomes of the global stocktake referred to in Article 14”.

For those in attendance and those following from afar, **COP-28** has been absorbing, and, with the extra day, December 13, 2023, worthwhile.

In the words of **UN Climate Change Executive Secretary, Simon Stiell**:

**COP-28 “delivered some genuine strides forward”.**

### **Hot topic ahead of COP-28:**

In the lead-up to **COP-28**, consistent analyses across a number of reports indicated that, globally, we are not on track to achieve the goals of the **Paris Agreement**, being:

*“Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change” (Article 2.1(a) of the Paris Agreement).*

In the absence of significant acceleration in the avoidance, reduction and removal (**ARR**) of greenhouse gas (**GHG**) emissions, there appears (and continues) to be a consensus that it will not be possible to achieve the **1.5°C goal**, and there appears to be a concern that holding the increase to 2°C is going to prove a considerable challenge.

This may be regarded as having intensified the focus on the first **Global Stocktake**.

In the final days of **COP-28** there appeared to be a determination to keep the **1.5°C goal** within reach. This is positive.

### **Key outcomes from COP-28:**

- The text of the [Outcome of the first Global Stocktake \(COP-28 Agreement\)](#) makes compelling reading.

The headlines (through extraction from the **COP-28 Agreement**) are:

- *Further recognizes* the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with the 1.5°C pathways and *calls* on Parties to contribute to the following global efforts, in a nationally determined manner, taking into account the Paris Agreement and their different national circumstances, pathways and approaches:
  - (a) **Tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030;**
  - (b) Accelerating efforts towards the phase-down of unabated coal power;
  - (c) **Accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;**
  - (d) **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;**
  - (e) **Accelerating zero- and low- emission technologies, including, inter alia, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production;**
  - (f) Accelerating and substantially reducing non-carbon-dioxide emissions globally, including in particular methane emissions by 2030;
  - (g) Accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero- and low- emission vehicles;
  - (h) Phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible. (Paragraph 28);

[**Note:** Emboldening added by the author of **P<sub>2</sub>N<sub>0</sub>**]

- *Emphasizes* the urgent need for accelerated implementation of domestic mitigation measures in accordance with Article 4, paragraph 2, of the Paris Agreement, as well as the voluntary cooperation, referred to in Article 6, paragraph 1, of the Paris Agreement (Paragraph 31);
- *Also emphasizes* the urgent need to strengthen integrated, holistic and balanced non-market approaches in accordance with Article 6, paragraph 8, of the Paris Agreement, in the context of the sustainable development and poverty eradication, in a coordinated and effective manner, including through mitigation, adaptation, finance, technology transfer and capacity building, as appropriate (Paragraph 32);
- *Also highlights* that the adaptation finance needs of developing countries are estimated at USD 215-387 billion annually up until 2030, and that about USD 4.3 trillion per year needs to be invested in clean energy up until 2030, increasing thereafter to USD 5 trillion per year up until 2050, to be able to reach net zero emissions by 2050 (Paragraph 68); and
- Encourages Parties to communicate in 2025 their nationally determined contributions with an end date of 2035 (Paragraph 170).

Those familiar with the outcomes of previous COPs and with what is required to achieve the **1.5°C goal** and net zero by 2050, will recognize that paragraph 28 of the **COP-28 Agreement** (included above) is the most comprehensive and coherent text to date. This is positive. To the author, taken with the balance of the **COP-28 Agreement**, there is a new coherence, including continuing action items, in particular in the area of finance provision by developed countries. The [closing speech](#) of **UN Climate Change Executive Secretary, Simon Stiell**, is “spot-on”, in particular in respect of the enlivening of the **1.5°C goal**.

- The first **Global Stocktake** of **nationally determined contributions (NDC)** of the Parties to the **Paris Agreement**, concluded at **COP-28**, the first **Global Stocktake** being the mid-point of the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals.

Ahead of **COP-28** there was anticipation that Parties would revise their **NDCs** to provide for enhanced (in mass and time) avoidance, reduction and removal of **GHG** emissions. Further, there was considerable momentum to fossil-fuel phase-out (a recurring, and difficult, theme), building on the concept of fossil-fuel phase down agreed at **COP-26**.

In the context of the first **Global Stocktake**:

- After considerable debate, in respect of **phasing out of fossil fuels**, the final formulation provided a way forward, and amounts to one of the genuine strides forward referred to by Simon Stiell:

**“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”.**

- **130 countries** backed the pledge:
  - to triple renewable electrical energy deployment by 2030, from 3,400 GW today to 11,000 GW of installed renewable electrical energy capacity by 2030; and
  - to double the rate of annual energy efficiency improvements every year to 2030.

As was reported widely, these 130 countries emit around 40% of global CO<sub>2</sub> emissions from fossil fuel combustion, and have around 37% of total global energy demand. To state the obvious, and many folk did, for this pledge to achieve the outcome it is designed to achieve (i.e., to achieve alignment with the 1.5°C goal), all Parties to the Paris Agreement need to commit to the pledge, then implement the pledge through their policy settings at a national level.

The good folk at **Global Renewables Alliance** co-published [Tripling renewable power and doubling energy efficiency by 2030: Crucial steps towards 1.5°C](#), with the **International Renewable Energy Agency (IRENA)** in October, 2023, see **Edition 2** of **P<sub>2</sub>N<sub>0</sub>** for further details. The publication noted that while the pledge is an historical milestone, realization of the pledge requires transformational action across the world. Of course, the good folk at **IRENA** emphasized the need to triple renewable electrical energy capacity in the [World Energy Transitions Outlook \(WETO\)](#).

On **December 3, 2023**, **IRENA** and the **World Meteorological Organization (WMO)** published jointly, [2022 Year in review: Climate-driven Global Renewable Energy Potential Resources and Energy Demand](#).

- **158 countries** backed an initiative to accelerate action to address **ARR** in the agriculture, forestry and other land use (**AFOLU**) sector (see [COP28 Emirates Declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action](#)):

“There is no path to achieving the goals of the Paris Climate Agreement and keeping 1.5°C within reach, that does not [address urgently] the interactions between food systems, agriculture, and climate”. (UAE Minister of Climate Change and Environment, Miriam bint Mohammed Almheri.)

As was reported widely, these 158 countries emit around 76% **GHG** emissions from the production of food, and produce 70% of food globally. For the author, this initiative is an encouraging development from **COP-28**: the **AFOLU** sector is regarded as the most difficult to decarbonize, or, more pointedly, to demethane, and, by and large, has been “left until later” until now.

While the [Emirates Declaration](#) does not address “demethaning” the **AFOLU** sector head-on (referring to shifting from higher greenhouse-gas-emitting-practices, among other things, this involves transitioning away from the use of fossil fuels in the **AFOLU** sector), it makes the **AFOLU** sector a focus. This is progress: the **AFOLU** sector now part of climate change plans.

- **22 countries** committed to tripling nuclear electrical energy capacity by 2050 in [The Declaration to Triple Nuclear Energy](#) (see <https://www.energy.gov>, under [At COP28, Countries Launch Declaration to Triple Nuclear Energy Capacity by 2050, Recognizing the Key Role of Nuclear Energy in Reaching Net Zero](#));
- **37 countries** committed to mutual recognition of hydrogen certification in the [Declaration of Intent on the Mutual Recognition of Certification Schemes for Renewable and Low-Carbon Hydrogen and Hydrogen Derivatives](#) (see <https://www.energy.gov>, under [At COP28, Countries Launch Declaration of Intent on Clean Hydrogen](#));

On **December 10, 2023**, the good folk at the **International Energy Agency (IEA)** published [IEA assessment of the evolving pledges at COP28](#), taking account of the pledge in respect of tripling renewable electrical energy and doubling energy efficiency improvements, and assuming full implementation of the methane pledge in the [Oil and Gas Decarbonization Charter](#). The **IEA** estimates that if these evolving pledges are implemented, they will close the gap by 30% between the current trajectory of **GHG** emissions and the required trajectory of **GHG** emissions to limit the increase in global average temperature to 1.5°C.

- **Agreement on compensation for loss and damage: COP-28** commenced auspiciously on Day 1 with the operationalization of the **Loss and Damage Fund**: the UEA and Germany each pledged USD 100 million, the EU €225 million and the UK £60 million. The **Loss and Damage Fund** will be managed by the World Bank. The United Nations Environment Programme published its [2023 Adaptation Gap Report](#). This was timely: the report indicates that Mitigation and Adaptation are unlikely to be enough, and that the **Loss and Damage Fund** will be required.
- **No agreement on Article 6 of the Paris Agreement:**
  - **Article 6.2<sup>4</sup>:** Despite considerable optimism ahead of **COP-28** (including that of the author), agreement was not reached on the operationalization of **Article 6.2**. On the sidelines of **COP-28**, a number of countries signed cooperative or cooperation agreements for the purposes of **Article 6.2**: each agreement is different, but will cover the basis upon which one country is to undertake activities or to develop projects that will give rise to a mitigation outcome in that country that can be transferred, i.e., **ITMOS** (being an **Internationally Transferred Mitigation Outcomes**) to the other country so that the other country is able to take account of the **ITMOS** in achieving its nationally determined contribution, **ITMOS** effectively serve as an offset mechanism.
  - **Article 6.4<sup>5</sup>:** On **December 10, 2023**, a draft, broadly consistent with the positions shared with **CMA 5** by **Article 6.4 Supervisory Body** was circulating. As with **Article 6.2**, agreement was not reached on how to operationalize **Article 6.4**, and as such a market-based approach to a voluntary carbon market for emissions units, managed by the UN, remains on the “to do list”. On **December 8, 2023**, Papua New Guinea and Singapore signed an implementation agreement for the purposes of cooperation in respect of carbon credits<sup>6</sup>. This is a first for both countries, and anticipates the operationalization of **Article 6.4**.
  - **Article 6.8<sup>7</sup>:** The **COP-28 Agreement** mentions the urgent need to strengthen integrated, holistic and balanced non-market approaches in accordance with **Article 6**, paragraph 8, of the Paris Agreement, in the context of the sustainable development and poverty eradication, in a coordinated and effective manner, including through mitigation, adaptation, finance, technology transfer and capacity building, as appropriate. As such, **Article 6** may be regarded as likely to progress in the context of non-market initiatives.

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<sup>4</sup> **Article 6.2** states “Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.”

<sup>5</sup> **Article 6.4** states “A mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development is hereby established under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to this Agreement for use by Parties on a voluntary basis. It shall be supervised by a body designated by the Conference of the Parties serving as the meeting of the Parties to this Agreement, and shall aim: (a) To promote the mitigation of greenhouse gas emissions while fostering sustainable development; (b) To incentivize and facilitate participation in the mitigation of greenhouse gas emissions by public and private entities authorized by a Party; (c) To contribute to the reduction of emission levels in the host Party, which will benefit from mitigation activities resulting in emission reductions that can also be used by another Party to fulfil its nationally determined contribution; and (d) To deliver an overall mitigation in global emissions.”

<sup>6</sup> As announced by Singapore (see [Singapore signs first Implementation Agreement with Papua New Guinea to collaborate on Carbon Credits under Article 6 of the Paris Agreement](#)), among other things, emissions units issued in accordance with the Implementation Agreement may be used to offset up to 5% of their liability for carbon tax in Singapore – see **Edition 4 of P2No**.

<sup>7</sup> **Article 6.8** states “Parties recognize the importance of integrated, holistic and balanced non-market approaches being available to Parties to assist in the implementation of their nationally determined contributions, in the context of sustainable development and poverty eradication, in a coordinated and effective manner, including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity building, as appropriate. These approaches shall aim to: (a) Promote mitigation and adaptation ambition; (b) Enhance public and private sector participation in the implementation of nationally determined contributions; and (c) Enable opportunities for coordination across instruments and relevant institutional arrangements.”

On the sidelines of **COP-28** the **United Nations Development Programme** published [UNDP's High-Integrity Carbon Markets Initiative](#). The publication is a helpful addition to the commonwealth thinking on the need to ensure the integrity of **Article 6.2** cooperation / cooperative agreements and **Article 6.4** emissions units.

### On the sidelines of COP-28:

In addition to progressing the official agenda for **COP-28**, countries and corporations progress matters.

- **UAE commits USD 30 billion:** On **Day 1**, the UAE committed to create a USD 30 billion fund, working with BlackRock, to fund developments.
- **Negative emissions:**
  - **Trading of negative emissions:** Sweden and Switzerland are reported to have agreed to develop thinking around the trading of negative emissions<sup>8</sup>. While many activities can be decarbonized, and CO<sub>2</sub> emissions avoided and reduced, some key activities cannot, including agriculture and land use. In this context, negative emissions will be needed to ensure that those activities can continue.
  - **Group of Negative Emitters:** On **December 10, 2023**, **Denmark**, **Finland** and **Panama** launched the **Group of Negative Emitters**. As might be apparent, the countries in the Group intend to remove more CO<sub>2</sub> than they emit in absolute terms.
- **Climate tracking and tracing:**
  - [Climate Action Tracker](#) continues to provide up to the second analysis on the impact of the **NDCs** of, and pledges made by, countries, if implemented, tracking against the current projected profile for **GHG** emissions. Consistent with most other analyses, **Climate Action Tracker** indicates that with implementation of policies, the global average temperature is likely to increase to between 2°C and 3°C.
  - **Climate TRACE:** During **COP-28** a wonderful web-based tool was launched: **Climate TRACE**. Click [here](#) to connect. As noted on the website, **Climate TRACE** is seeking to "make meaningful climate action faster and easier by mobilizing the global tech community to track greenhouse gas (GHG) emissions with unprecedented detail and speed and provide this data freely to the public".
  - **Climate Hazard Exposure Tracker:** During **COP-28**, the **IEA** and the **OECD** released their interactive [Climate Hazard Exposure Tracker](#). The **Tracker** provides data and information on climate impacts on energy systems and economic activities more broadly.

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<sup>8</sup> Negative emissions arise through activities and projects that remove CO<sub>2</sub> from the climate system, being the opposite of the emission of CO<sub>2</sub> to the climate system. Of late, the most frequently referenced negative emission technology is the use of biomass to derive heat or power, or both, or liquid fuel, with the CO<sub>2</sub> arising being captured and stored, with more biomass grown to provide further fuel and feedstock.



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\* Michael Harrison is the primary author of **P2N0**, and editor. Any errors are Michael's. **P2N0** is written early each Saturday morning. In writing **P2N0**, Michael sources from original material. If a news item is covered broadly, the words **reported widely** connote that at least three publications have covered that news item, and reported connotes at least two sources. If there is only one source that is not the original material, that source is named.

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