

# COP27

## What matters most?

Country perspectives from Africa,  
Europe and the Middle East



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# COP27: What matters most?

All eyes are on Egypt as it gears up to host the 27th Conference of the Parties (COP27) in the coastal city of Sharm El Sheikh this November. The fact that Egypt, a middle-income, highly populated country is hosting the foremost global convening to address the climate change crisis is not coincidental. This edition of the COP is an African one, and Egypt's presidency is by design, to represent and voice Africa's concerns, particularly on climate finance, adaptation, and nature. This is no small feat; climate records continue to be broken, and the burden of the costs continues to fall disproportionately on countries that are the poorest and most vulnerable to climate change - a large number of which are in Africa.

Africa is progressing its development agenda amid a global system that is sensitive to issues of environmental degradation and aware of the importance of environmental sustainability and conservation. This difference between the development trajectory of Africa and the West has meant that despite its minimal contribution to the climate crisis, most countries on the continent are mapping critical socio-economic development priorities against equally critical environmental considerations.

While more than three-quarters of African countries have fulfilled their targets under the United Nations' Sustainable Development Goal 13 on Climate Change, the continent is severely impacted by its effects. Even though the entire African continent accounted for only 3.3% of global emissions between 1960 and 2020, and emitted eight times less carbon than either Asia, Europe, or North America, it is the continent most affected by droughts and the second most affected by floods.

01

**Rami Nazer**

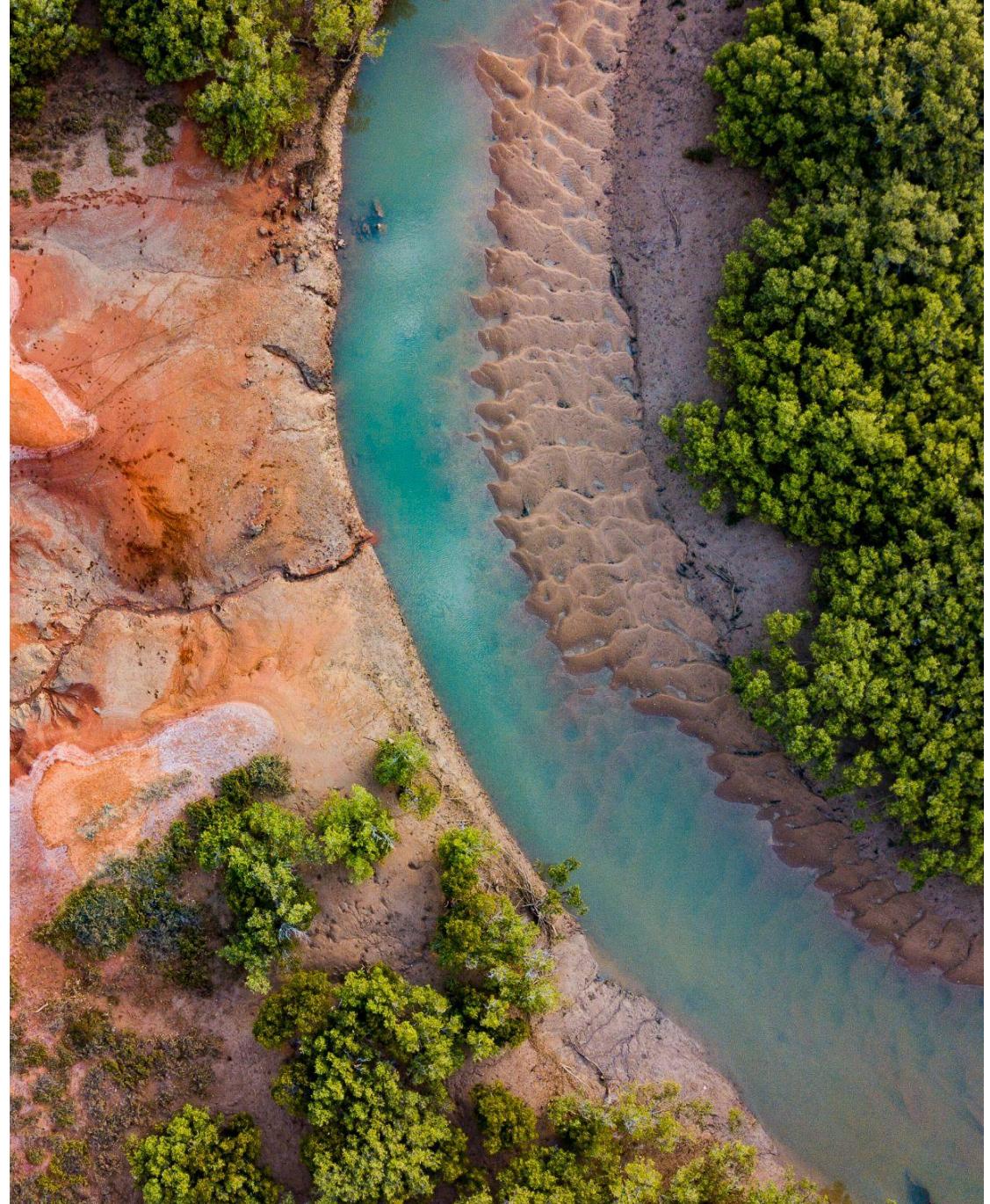
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Temperatures across the continent are rising faster than the global average – a trend that is likely to continue throughout the rest of the century. Anthropogenic warming between 1991 and 2010 means that GDP per capita remains 13.6% lower than the rest of the world, increasing Africa's stake in the number of people living in absolute poverty. It is projected that 39.7 million people will be pushed into extreme poverty by 2030 and over 39 million people into chronic hunger by 2050.

These climate-induced crises have spillover effects on the economic health and vitality of the economy. Across 80 percent of the most climate-vulnerable countries in Africa, at least three in five members of the working population are employed in the highly climate-sensitive agricultural sector. In 2020 alone, 4.3 million people in Africa were newly displaced by natural disasters, accounting for almost 40 percent of all new, internal displacements on the continent in that year. Most African countries are also working to address growing unrest over water resources across the continent, with the number of protests and riots since 2010 multiplied by forty.

The ongoing global energy crisis, heightened inflation, and post-pandemic recovery priorities mean that the broader climate finance issue and the move from pledges to implementation - both COP27 key agenda items - will be a hard act to achieve. This report captures the perspectives of different African, European and Middle Eastern countries participating in COP27 and poses three critical questions on what their priorities are, what a successful COP looks like, and how we can leverage the outcomes of COP27 for stronger climate action in COP28. In so doing, it speaks volumes about the commitment of countries to collaborate and engage around the issues that matter most to our common future.



# An Egyptian perspective



Africa's most pressing issue is maintaining a balance between development and climate adaptation. With only 1.3% of the world's population, Egypt emits 0.6% of global gas emissions and ranks twenty eighth on the list of global polluters. While these statistics position it well globally compared against its regional neighbours, Egypt contributes 13% of overall gas emissions from North Africa and 31% of total emissions from the African continent, placing Egypt as both a responsible party and one with a vested interest in a successful green energy transition.

## What is your country's top priority going into COP27, what are the issues and how have they been addressed in the past?

Egypt mirrors the broader climate-related challenges faced by most African nations:

- The Nile is the primary source of water for Egypt, the 15<sup>th</sup> most populous country in the world. Research shows that despite increased rainfall in the upper Nile Basin countries, rising temperatures and high population growth will increase water stress for Egypt and the lower Nile Basin countries. Ongoing water security efforts by some of the upper Nile Basin countries compounds this threat and magnifies the potential for major disruption to agriculture and food production, as well as reducing the water available for people in their daily lives and for industry. In a year of reduced rainfall and high temperatures, the expectation is that by 2040, up to 35% of the population (80 million people) will face the risk of water scarcity across the Nile Basin countries.

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- The fact that the Nile delta shoreline is receding by approximately 60 feet each year only aggravates Egypt's water crisis. By the end of the twenty-first century, climate change is predicted to increase the standard deviation of the Nile's flow by almost 50%, doubling the likelihood of both flooding and drought. Again, this has strong implications for Egypt's food and water security, especially since current levels of pollution prevent water from being distributed to surrounding farms and cities.
- The Nile Delta – a strip of land representing 5.5% of Egypt's landmass, in which most of Egypt's 100 million-plus population reside and 60% of its food production is based - is considered one of three "extremely vulnerable" hotspots affected by climate change. Estimates indicate a rise in sea level of up to one meter by 2100. A rise in sea level rise will put at least 1% of this area under water, reducing cultivable land and resulting in a 30% food production deficit by 2030. Beyond the humanitarian considerations attached to this crisis, given that more than 25% of Egypt's labor force is employed in the agricultural sector, there are broader socio-economic implications as well.

Egypt's policy response to the climate crisis has come in the form of a series of cross-sectoral strategies and initiatives that vary from adaptation to the climate crisis, to mitigation:

### Emission reduction strategies

Egypt has pledged to reduce emissions in the power generation and distribution sector by 33%, including 65% in the oil and gas sector, and 7% in the transport sector. To achieve this, Egypt has requested external financing support of US\$246 billion.

### Renewable energy transition

Egypt's untapped solar and wind potential is the highest across the African continent – a fact its Integrated Sustainable Energy Strategy aims to optimise by targeting renewable energy to meet 42% of the country's energy needs by 2035. To achieve this goal, investments in renewable energy were encouraged by the Egyptian government and regulated under its Renewable Energy Law of 2014. The total solar and wind power plant capacity increased 340% in the years between FY 2015-16 and FY 2019-20.

### Green finance

Multiple mechanisms and initiatives are being used to mobilise national and international green finance. In September 2020, Egypt's Ministry of Finance issued the first Sovereign Green Bonds in the Middle East and North Africa region, valued at US\$750 million and listed on the London Stock Exchange in order to attract foreign investors.

### Agriculture and food security

Several sectoral adaptation projects, primarily in agriculture due to the growing threat of food security and funded by both national and international sources, have been implemented through pilot projects. These include the Sustainable Agriculture Investments and Livelihoods Project (SAIL) (2014-2023), Building Resilient Food Security Systems to Benefit the Southern Egypt Region (2013-2018), the Participatory Development Program in Urban Areas (PDP) (2010-2018), Adaptation to Climate Change in the Nile Delta through Integrated Coastal Zone Management (2009-2017), and Enhancing Climate Change Adaptation in the North Coast and Nile Delta Regions in Egypt (2018-2024).

## **What constitutes a successful COP 27, what are the ideal outcomes and what should the Egyptian government do to gear towards success?**

The Egyptian Government has taglined COP27 as “together for implementation”, and Egypt is focused on securing financing to address the myriad climate related challenges outlined above. To distinguish this COP from its predecessors, it will not aim for a single negotiated outcome between countries. Rather, stronger focus and emphasis will be made on actioning national plans and objectives. Among the more contentious issues relating to finance is exploring the potential for “loss and damage” finance, a proposition that was raised (and blocked) during COP26. A formal request has been made to add this to the COP27 agenda.

## **How can we capitalise on the convening of COP28 next year in Abu Dhabi to maximise impact and results?**

The hosting of both COP27 and COP28 in MENA has propelled existing cooperation across MENA’s broader climate ambitions. Both the Egyptian and the Government of the United Arab Emirates have announced their commitment to action and “carry through” the recommendations of COP27, and have set up the appropriate systems and mechanisms to ensure that the outcomes of both COP meetings are optimised.



# A South African perspective



2.2

The geography of COP27 provides us with the opportunity to define the role of Africa and the Middle East in the context of global climate commitments and responsibilities. COP26 was rooted in the UK, and setting the tone for mitigation and securing climate commitments was its fundamental objective. COP27 positions itself between Africa and the Middle East, where the ideas of Just Transition, climate finance and climate adaptation become the core tenets of discussion. This provides a unique opportunity for Africa and the Middle East to lead in climate negotiations, and for the developed world to learn from the region, before the dial turns to the UAE for COP28.

## What is your country's top priority going into COP27, what are the issues and how have they been addressed in the past?

We see three main priorities:

### Just Transition

While COP26 was hosted by a country with the means to fund its transition, and beyond that support the transition of others, COP27 must focus on creating the right enabling environment for developing countries to balance their climate commitments with their competing local, national, and international commitments. Sustainable energy transition provides a key example of the complexity of the idea of Just Transition. How do we incentivise the transition, while facilitating the inclusion of those who stand to lose from it?

**Craig Kesson**

Partner, Cities & Urbanisation  
PwC South Africa



## Climate adaption

The geographical shift from a UK to an Africa COP should also herald a change in focus from mitigation to adaptation as we change our lens from focusing on the countries that have the greatest burden of reducing their CO2 output to those that will likely face the greatest consequences of climate change. How can the countries most impacted by climate change adapt successfully, but perhaps more importantly, what lessons can they teach each other and share with developed countries?

Innovation and progress in resilience and social development (the S of ESG) provide an area where Africa can lead the world. While developed countries start to develop their thinking about what adaptation and social development really are as concepts, African countries such as South Africa have become pioneers in this area.

## Climate finance

Linked to the above two points, this is about providing countries with the right means to achieve both a transition through mitigation, and facilitate adaptation to the future world. This ranges from directly supporting projects and programs through Sustainable and Green Finance, to facilitating conversations and events where knowledge can be shared. In short, climate finance has the power to spearhead a Just Transition and climate adaptation.

## What constitutes a successful COP 27, what are the ideal outcomes and what should the Egyptian government do to gear towards success?

We need to see a shift from making commitments to implementing them. COP26 focused on making and finalising commitments for climate transition plans. COP27 is the time to begin focusing on the implementation of our Net Zero Commitments. For many countries, the commitments are already there, the next question is about how to achieve them.

It is also vital that Africa and the Middle East lead a two-way conversation. With the focus on a Just Transition and adaptation, supported by developed countries, COP27 shifts the conversation into the hands of the region. Learning goes both ways, and the regions progress in resilience and social development offers a strong platform for knowledge sharing. The region must lead in defining the support from others.

So, in terms of outcomes, we would like to see countries working together to crystallise their implementation plans, or at least begin to set out their roadmap for their implementation plans.

To be successful, the COP27 Presidency needs to facilitate and balance these conversations and the tone of discussion, ensuring that the above ideas are prioritised. This can be achieved best by ensuring that Africa leads in its Just Transition dialogue, and enables other countries to learn from the region's innovations and initiatives, supporting others in areas where it pioneers development.

## How can we capitalise on the convening of COP28 next year in Abu Dhabi to maximise impact and results?

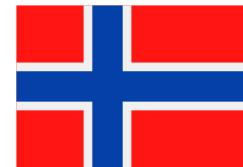
Abu Dhabi offers the opportunity to continue the focus on Just Transition, climate adaptation and climate finance. The shift in geographical focus will also unlock the Middle East and Asia as a focal point. A further shift towards including more countries in influencing the conversation is possible as we move from Egypt to Abu Dhabi for COP28.

The geography of COP27 and COP28 presents an opportunity for continuity. Regional alignment and overlap means that ideas can be continued and taken forward to COP 28, rather than presenting the Conference as an entirely new geography.

South Africa's Just Energy Transition Partnership Funding places South Africa at the heart of conversations about implementing climate strategies and accessing climate finance as part of the Just Transition. This offers South Africa the opportunity to be a role model as it embarks on energy transition. Having already seen brilliant success in adaptation and resilience, South Africa is uniquely focused to drive Africa's place at the heart of a Just Transition.



# A Norwegian perspective



2.3

## What is your country's top priority going into COP27, what are the issues and how have they been addressed in the past?

Norway's top priority for COP27 is to achieve greater agreement and understanding of how to deal with loss and damage caused by climate change, particularly in how to assist developing countries in the best possible way. Norway played a key role in agreeing on Article 8 at COP26 and is expected to take on the part as mediator and bridge builder during this year's negotiations.

The contentious issues surrounding this year's agenda relate to burden sharing and responsibility: who are most vulnerable to climate change, who should cut emissions, and who should pay for the loss and damage. Norway, as a high-income, oil producing country with one of the highest material consumption rates per capita, arguably bears significant responsibility.

Ahead of COP26, Norway doubled its climate funding to 14 billion NOK (US\$1.3 billion) annually. Yet several non governmental organisations (NGOs) point out that this is not sufficient and will expect Norway to provide more funding. Norway often acts as mediator and bridge builder between high-income countries and developing nations. However, this year's geopolitical tensions could manifest themselves in the negotiations, leaving little bargaining power to any other nations but the superpowers.

**Roger Mortensen**  
Government & Public Services Leader  
PwC Norway



## What constitutes a successful COP 27, what are the ideal outcomes and what should the Egyptian government do to gear towards success?

A successful COP27 will build on the results from Glasgow, and consider mitigation, adaptation, and loss and damage in a holistic way. Western countries must take responsibility for historical greenhouse gas emissions and provide specific funding mechanisms for loss and damage, especially considering this year's extreme weather events.

Middle income countries should step up their ambitions and stop hiding behind the most vulnerable group, the developing countries, and help towards a more constructive negotiation climate. The need for mitigation should also be a responsibility of middle-income countries.

Climate COPs are receiving more and more attention from private actors. COP27 should result in strong partnerships and concrete plans to cut emissions and fund adaptation measures.

As president of COP27, the Egyptian government is expected to aim high and act in a balanced manner. This COP is named Africa's COP, and there are expectations that the host country will bring forward issues of equality and redistribution. Moreover, Egypt, as a middle-income country that is categorised as a developing country under the convention, is often considered a key player in the political group G77 and China. As the President for this year's convention, Egypt should use this position to create a favorable environment and actively seek alliances with other political groups.

## How can we capitalise on the convening of COP28 next year in Abu Dhabi to maximise impact and results?

"We need to act now" has been the mantra for many decades, yet countries, businesses and individuals struggle to cut emissions in line with the ambitions of the Paris agreement. Analysis, reports, and case studies are needed to help bridge the implementation gap, and is something the UAE Government can take forward in preparation for COP28.



# A Swedish perspective



## What is your country's top priority going into COP27, what are the issues and how have they been addressed in the past?

Sweden's top priority has historically been and continues to be that science must be at the center of negotiations and act as a catalyst for increased global ambition. This relates in particular to the Nationally Determined Contributions (NDCs) that parties deliver and which must be developed based on the latest science – contributing in a meaningful way ahead of 2030 to reducing emissions in line with the 1.5 degree target set out in the Paris Agreement.

The issues surrounding science as a basis for action are quite simple. It is very well established that current NDCs are not enough to limit the global temperature increase to 1.5 degrees, or even 2 degrees. It is also true to say that parties value and emphasise the input from the Intergovernmental Panel on Climate Change (IPCC) in varying degrees, although we have noted a positive trend in this regard since Glasgow. Unfortunately, that is yet to be reflected in parties' collective NDCs. In order to address this, the scientific basis must be ever present in the negotiations and decisions, and representatives of the scientific community need to be given suitable space to summarise and explain the latest scientific findings to negotiators and political leadership.

### Anders Christensson

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## What constitutes a successful COP 27, what are the ideal outcomes and what should the Egyptian government do to gear towards success?

The climate challenge is global by nature and must be addressed in a constructive multilateral setting that can deliver tangible results. With the current geopolitical situation in Europe in mind, as well as tensions between some of the largest emitters, the ideal outcome for COP27 is one that exhibits clear progress in core issues, such as NDC ambition, an inclusive transformation to a greener economy that leaves no one behind (along the lines of a Just Transition), and capacity building.

A successful outcome would be a result that emboldens the efforts that parties make and meets the expectations of citizens and in particular young people around the globe. The social aspect of the climate challenge must be recognised by enabling the meaningful participation of civil society, and allowing voices besides those representing the large negotiation groups to be heard in plenum.

We would also like to see strong leadership from countries and regions that represent large emissions, and in particular those who are in the best position to act with force in the near-term. And of course, progress in issues relating to climate finance, as this is a fundamental enabling factor to achieve mitigation and adaptation on a broader scale.

In terms of the Egyptian Government's contribution, COP is a party-driven process but in their capacity as hosts, the Egyptian Government can positively affect the outcome by recognising special circumstances when necessary, but not letting that interrupt the constructive and inclusive spirit that is necessary to achieve results.

In that respect, history has shown that while negotiations during the COP determine the final outcome, a lot of groundwork is established ahead of the actual meeting by engaging with key players on core issues, facilitating preparatory dialogue, and (crucially) keeping the agenda for the meeting strict and focused on the core issues.

Host countries tend to want to produce initiatives for specific issues, which can be vague and lack any form of follow-up or review, serving mostly as a way for local politicians to produce something they can show their constituents. While these initiatives definitely serve a purpose in driving momentum on issues that may not be present in the negotiation texts, the focus should be on progressing agenda items.

## How can we capitalise on the convening of COP28 next year in Abu Dhabi to maximise impact and results?

It's difficult to provide meaningful recommendations at this point, as it depends on the outcome of COP27. In general terms, the focus should be to continue work on initiatives and sectoral measures, if applicable, and pay attention to the regional challenges that are shared between Egypt and Abu Dhabi, and which may not garner the same attention when other regions host COP.

Importantly, work on mapping what is actually being performed to reduce emissions, to enable analysis of measures that can lead to significant emissions reductions in the near term must continue. This will reduce the gap relative to what science demands.

COP28 will also entail the first Global Stocktake, a key part of the Paris Agreement's ambition cycle, which will be an essential platform to showcase efforts, measures and leadership.

# A Saudi perspective



## What is your country's top priority going into COP27, what are the issues and how have they been addressed in the past?

The Kingdom of Saudi Arabia has long emphasised the importance of addressing climate action in order to protect livelihoods and enhance socio-economic sustainability, while managing an orderly global energy transition. Underpinning this approach, KSA has spearheaded green transition initiatives at the national level, while supporting regional players with significant investments. As a result, KSA has made a number of key commitments to the climate and sustainability agenda over the past few years. The overarching priority for KSA will be to build further partnerships in realising these commitments.

Many of these commitments and initiatives are channeled through the Saudi (and Middle East) Green Initiative(s) and include:

### Delivering against the Net Zero 2060 commitment

Ahead of COP26, KSA committed to achieving Net Zero emissions by 2060. The first milestone is to reduce emissions by 278 Mt by 2030, after which the country is set to embark on an aggressive decarbonisation journey.

This commitment is supported by five key actions - increasing energy efficiency, investment in renewable energy, developing clean hydrogen, transforming waste management, and accelerating the implementation of KSA's Circular Carbon Economy concept.

### Abdelkhaleq Ahmad

Environmental, Social & Governance  
Consulting Leader  
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The latter is aimed at creating an economy in which carbon is reduced, recycled, reused, and removed (the 4Rs). KSA has set a target that 50% of the energy mix will come from renewable energy. This requires a whole-of-government effort to put in place the right policy mix, while mobilising the private sector to generate change on the ground. Through the Saudi Green Initiative and its commitments to the Middle East Green Summit, the world's global energy producer has committed to reducing carbon emissions by more than 278 million tonnes annually.

### Plan and invest for climate change adaptation

KSA is highly vulnerable to climate change. It is already prone to extreme weather and has very limited water resources, and climate change will only amplify these challenges. Factoring in resilience and building this into economic plans, infrastructure decisions, and social policy is a priority. Through the Saudi Green Initiative, KSA has embarked on the world's most extensive afforestation program, with plans to plant over 10 billion trees across Saudi Arabia (so more than 30% of the country will be covered). KSA also plans to plant over 50 billion trees across the Middle East.

### Balance mitigation and adaptation with the need for economic growth and diversification

KSA is going through a journey of rapid economic and social transformation. It is critical to balance climate policy targets with sometimes conflicting economic and social objectives. Mobilising the private sector in this commitment is critical, including through industry-level action on decarbonisation and the management of climate risk. Indeed, KSA has set a goal of becoming the world's largest producer and exporter of hydrogen, and the construction of a hydrogen plant is already underway in NEOM. The vision for 2030 is for KSA to produce and export four million tons of zero-carbon fuel (including hydrogen). Total Saudi investment in renewable energy is in excess of USD186 billion.

### Mobilise climate finance

Public and private sources must be mobilised to fund the transition. KSA has made some significant commitments to transition funding, including Aramco's announcement at the Future Investment Initiative summit 2022 of the launch of a US\$1.5bn sustainability fund.

## What constitutes a successful COP 27, what are the ideal outcomes and what should the Egyptian government do to gear towards success?

KSA is expected to use COP27 as a launchpad for its ambitions to play a major role in showcasing how economies in transition can contribute. While it remains to be seen what will result from Saudi Arabia's announcement, a related and immediate mark for success is "turning the conversation around" to explore meaningful, practical solutions for ensuring that the countries fulfill their financial commitments and obligations to Africa and the developing world. KSA will also host its Saudi and Middle East Green Initiatives in parallel to COP27, under the theme "Ambition to Action".

Our view is that the ideal outcomes will include an agreement of clear, tangible actions to delivery against global Net Zero commitments. COP26 was the time for countries to make significant commitments for the 2050 agenda. From a KSA perspective, it will be critical to agree on practical measures to make this happen. The global policy agenda must be coherent and global commitments must be made on climate finance. KSA has long advocated a dual approach to climate mitigation and management that addresses the question of global financial stability and socio-economic livelihoods. A successful COP for Saudi Arabia will highlight the importance of striking the balance.

Another good outcome would be acknowledgement of key mitigation levers. As part of these practical measures, KSA will expect to see progress on recognising the role of key abatement levers such as nature-based solutions, carbon capture and storage, and the development of alternative fuels. These are levers that are considered important in the KSA context and align with the objective of balancing environmental objectives with socio-economic objectives.

In the light of current challenges, surrounding high oil price fluctuations and shortages, KSA acknowledges its leading role in enhancing the security and stability of global energy markets. For this reason, the country has embraced a realistic and inclusive energy transition plan that balances the energy needs of low-income countries with climate mitigation.

## **How can we capitalise on the convening of COP28 next year in Abu Dhabi to maximise impact and results?**

COP28 will be hosted in a fellow, oil-producing country. This is an important opportunity for KSA to demonstrate that it is serious about decarbonisation and supports the world in its energy transition. The strong relationship between KSA and the UAE will also position it to actively contribute to shaping the agenda and ambition of COP28. Next year's event is already regarded as the critical opportunity for articulating the practical actions to be delivered by 2030. This will lead to COP28 becoming an event with lasting impact and legacy.

It is also an opportunity to tally the private sector. The close succession of two COPs in the Middle East region has put the spotlight on climate action and the private sector is stepping up significantly. The pivot from COP27 to COP28 will be a key opportunity to mobilise the private sector and increase momentum. This, in turn, may also present significant opportunities for KSA to position itself within the sustainable business ecosystem, particularly around cleantech.



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