



**From Unfulfilled Ambitions
to Milestones at COP28:
The GCC's Path to Greater Sustainability**

Mohamed Abdelraouf
January 2024

Mohamed Abdelraouf/
Protests at COP28





From Unfulfilled Ambitions to Milestones at COP28- The GCC's Path to Greater Sustainability

Introduction

On December 13, 2023, the United Nations Climate Change Conference of the Parties (COP28) concluded with a historic agreement on transitioning away from fossil fuels. Over the course of two weeks, more than 100,000 attendees gathered in Dubai, the United Arab Emirates (UAE) to work toward improving existing agendas and pushing for new ones aimed at the 1.5°C warming target set in the Paris Agreement in 2015.

The international climate summit yielded fruitful outcomes (see Table 1). First and foremost, as an overarching agenda that covers a wide range of climate issues, the first Global Stocktake (GST) was successfully passed by COP28 President Dr. Sultan Al Jaber. It resulted in the monumental “UAE Consensus” among almost 200 countries, a highlight of which is an unprecedented mention of shifting away from fossil fuels in the current energy system. Second, the Conference enabled a successful enforcement of the Loss and Damage Fund established at COP27 in Egypt as well as witnessed a surge in the amount pledged to existing financial mechanisms. For instance, the Green Climate Fund gained new contributions from six countries and reached a record of 12.8 billion from 31 countries.¹ The Least Developed Countries Fund and the Special Climate Change Fund hosted by the Global Environment Facility received USD 141.74 million and USD 32.5 million respectively in Dubai, which is significantly higher compared to the amount pledged in

Sharm El-Sheikh in 2022.² New contributions totaling USD 187.7 million were made to the Adaptation Fund to empower adaptation solutions in vulnerable countries and communities.³ Third, several key platforms and roadmaps for implementing climate ambitions were advanced or created, including the Santiago Network for Loss and Damage established at COP25, the Global Goal on Adaptation under Article 7.1 of the Paris Agreement, and the Global Roadmap for Achieving SDG 2 without breaching the 1.5°C threshold launched by the Food and Agriculture Organization of the United Nations (FAO). Last but not least, a few initiatives managed to attract more participants, and multiple new declarations were signed by parties from various sectors associated with climate change, including agriculture, nature conservation, health, gender equality, peacebuilding, etc.

Among the highlights were two groundbreaking achievements: a consensus on the transition away from fossil fuels and the operationalization of financial and technical systems for tackling climate loss and damage. While it will take time to see the outcome of these agreements, they are a good sign that the members of the international community are ready to respond to the increasing pressure on climate change and are keen to actively embrace more diverse and sustainable means of energy.

¹ “COP28 Agreement Signals ‘Beginning of the End’ of the Fossil Fuel Era,” UN Climate Press Release, December 13, 2023, <https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era>.

² “In Good News for Adaptation, Donors Boost Support to LDCF and SCCF,” Global Environment Facility, December 4,

2023, <https://www.thegef.org/newsroom/press-releases/good-news-adaptation-donors-boost-support-ldcf-and-sccf>.

³ “\$188 million and counting: Adaptation Fund secures pledges at COP28,” Jamaica Gleaner, December 21, 2023, <https://jamaica-gleaner.com/article/news/20231221/188-million-and-counting>.



Table 1. Progress and results of key topics at COP28

Topic	Item	Progress and result at COP28
Overarching agenda	First Global Stocktake	Agreed
Finance	Loss and Damage Fund	Agreed with more than USD 700 million pledged
	Green Climate Fund	Current total amount reaching USD 12.8 billion from 31 countries
	Least Developed Countries Fund and Special Climate Change Fund	New pledges together totaling USD 174.2 million
	Adaptation Fund	New pledges totaling early USD 188 million
	Post-2025 finance goal	Agreed on drafting a post-2025 finance target ahead of COP29
	UAE Leaders' Declaration on a Global Climate Finance Framework	Signed by 13 parties
Implementation platform or framework	Santiago Network for Loss and Damage	UNDRR and UNOPS selected as hosts; the 1st meeting of the Advisory Board to take place in Q1 2024
	Global Goal on Adaptation	Agreed on targets and their framework
	Articles 6.2, 6.4, and 6.8 of the Paris Agreement	No agreement achieved, but piloting projects will continue
	Global Roadmap for Achieving SDG2 without Breaching the 1.5°C Threshold	Launched by FAO
Pledges and declarations	Coalition for High Ambition Multilevel Partnerships (CHAMP) for Climate Action	Signed by 71 parties
	Global Methane Pledge	Joined by 155 countries
	Declaration on Climate and Health	Signed by 143 parties
	Declaration on Climate, Relief, Recovery and Peace	123 signatories
	Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action	Signed by 159 parties
	Gender-Responsive Just Transitions and Climate Action Partnership	Signed by 68 parties
	Global Cooling Pledge for COP28	Signed by 61 parties
	Freshwater Challenge	Joined by 37 countries
	Joint Statement on Climate, Nature and People	Signed by 18 parties



The Beginning of a Clean Energy Era?

The first Global Stocktake (GST) took place at COP28, the halfway point between the ratification of the Paris Agreement in 2015 and the 2030 deadline for the greenhouse gas emission reduction goal of 45%. The outcomes of the GST are supposed to guide nations to push for the advancement and enhancement of climate action plans by 2025. The final text of the GST agreed to on December 13, 2023, after the conference deliberations went into the late hours of the night, marks a global milestone in the shift away from fossil fuels. For the first time in history, nearly 200 parties came to a consensus on “transitioning away from fossil fuels in the energy system, in a just, orderly, and equitable manner...accelerating efforts towards the phase-down of unabated coal power” and “phasing out [of] inefficient fossil fuel subsidies that do not address energy poverty or [support a] just transition as soon as possible.” UN Framework Convention on Climate Change Executive Secretary Simon Stiell referred to the decision as “the beginning of the end”⁴ of the fossil fuel era.

Until recent COP meetings the negotiations on moving away from fossil fuels as outlined in the Paris Agreement in 2015 had been more or less unfruitful, even though they seemed to be promising at the outset. The final decision of COP26 for example, called upon parties to “accelerate efforts towards the phasedown of

unabated coal power and phase-out of inefficient fossil fuel subsidies.” It marked the first time these two issues had been explicitly included in the final texts of a UN climate summit.⁵ In 2022, more than 80 countries including the US, the UK, and the European Union, as well as small island nations supported India’s proposal on phasing down all fossil fuels instead of merely coal.⁶ However, the proposal did not make it into the final communique of COP27. Factors behind the unsuccessful past attempts are multifaceted, including conflicts of interest from major petrostates and emerging economies which continue to depend heavily on fossil fuels for development as well as a heavy presence of the oil and gas industry at COP27. It was reported that the number of fossil fuel lobbyists increased sharply from COP26 and 18 out of 20 conference sponsors support or partner with the fossil fuel industry.⁷

This year the debate on eliminating fossil fuels resumed with heated deliberations and again, witnessed reluctance from those with locked-in interests in the oil sector. It is reported that the OPEC Secretary General urged its member countries to “proactively reject any text or formula that targets energy, i.e., fossil fuels, rather than emissions” despite the appeal for a phase-out by more than 100 countries representing over 72% of the participant nations at COP28.⁸ China, the world’s largest emissions

⁴ “COP28 Agreement Signals ‘Beginning of the End’ of the Fossil Fuel Era,” UN Climate Press Release, December 13, 2023, <https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era>.

⁵ “COP26: Together for Our Planet,” United Nations Climate Action, accessed December 24, 2023, <https://www.un.org/en/climatechange/cop26>.

⁶ Ruchira Singh, “COP27: India Calls for Phase down of All Fossil Fuels, Not Just Coal,” S&P Global Commodity Insights, November 14, 2022, <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/energy-transition/111422-cop27-india-calls-for-phase-down-of-all-fossil-fuels-not-just-coal>.

⁷ “COP27: 90% of sponsors have fossil fuel ties,” Corporate Europe Observatory, November 17, 2022,

<https://corporateeurope.org/en/2022/11/cop27-90-sponsors-have-fossil-fuel-ties>.

Nicholas Cunningham, “Heavy fossil fuel presence at COP27 climate talks”, Gas Outlook, November 18, 2022, <https://gasoutlook.com/analysis/heavy-fossil-fuel-presence-at-cop27-climate-talks/>.

⁸ Damian Carrington, “OPEC Rails against Fossil Fuel Phase-out at COP28 in Leaked Letters,” The Guardian, December 8, 2023,

<https://www.theguardian.com/environment/2023/dec/08/opec-rails-against-fossil-fuel-phase-out-at-cop28-in-leaked-letters>.

FRANCE 24, “‘Stunned’: OPEC Urges Members to Block Action on Fossil Fuels at COP28,” December 9, 2023,

<https://www.france24.com/en/environment/20231209-french-energy-minister-angry-after-opec-urges-pushback-on-fossil-fuels-at-cop28>.



contributor and one of the objectors to a phase-out commitment at COP26, agreed to promote renewable energy as a substitute at this year's conference but remained vague about a phase-out of fossil fuels.⁹ On the penultimate day of the scheduled timetable, the draft GST released adopted the terminology "reduction [in] both consumption and production of fossil fuels" instead of "phase out," resulting in widespread disappointment and garnering criticism from developing countries, small island nations, environmental non-governmental organizations, and the European Union for its "lack of ambition" and failure to signal the necessary course correction to address the climate crisis.¹⁰

Compared to the draft, the final agreement showed passable improvement, receiving both recognition and demands for more progress. On the one hand, the consensus is a laudable achievement and the first of its kind in over 28 years of international climate negotiations. Delegations of the Members of the European Parliament considered the shift away from fossil fuels "really historic" and "momentous."¹¹ On the other hand, vulnerable countries are not fully satisfied. Anne Rasmussen, the Lead Negotiator of the Alliance of Small Island States (AOSIS) accused Dr. Sultan Al Jaber, the COP28 president, of approving the final text in the

absence of 39 small island countries that were still deliberating in another room. She admitted that the final text contained good elements such as strong references to science and technology but claimed that the text failed to deliver any exponential changes and was a far cry from being enough. Specifically, she stated that the text on transitioning away from fossil fuels exclusively in the energy system and phasing out inefficient fossil fuels was a "disappointing...litany of loopholes...not advancing us beyond the status quo."¹² Likewise, Mizan Khan, an environmental scientist at the International Centre for Climate Change and Development in Dhaka, Bangladesh, pointed out that climate-vulnerable countries like Bangladesh had desired stronger wording than simply "phasing out."¹³

While the agreement on transitioning away from fossil fuels brings in hope for embarking on more ambitious actions at future climate talks, several issues in the current text remain debatable, among which are the role of transitional fuels, a lack of a functional financial system, and an absence of binding and well-defined implementation mechanisms which have aroused significant attention.

Sub-section 29 of the final text "recognizes that transitional fuels can play a role in facilitating

Stefan Anderson, "COP28: Landmark Fossil Fuel Deal Falls Short of Phase-Out," Health Policy Watch, December 13, 2023, <https://healthpolicy-watch.news/cop28-summit-ends-with-historic-yet-divisive-fossil-fuel-agreement/>.

⁹ Fiona Harvey, "COP28: China 'Would like to See Agreement to Substitute Renewables for Fossil Fuels,'" The Guardian, December 9, 2023, <https://www.theguardian.com/environment/2023/dec/09/cop28-china-says-it-would-like-agreement-on-substituting-renewables-for-fossil-fuels>.

¹⁰ WWF, "COP28: WWF Responds to 'Disastrous' New Global Stocktake Draft Text That Goes Backward on Ambition," WWF, December 11, 2023, https://wwf.panda.org/wwf_news/?10394416%2FCOP28-WWF-responds-to-disastrous-new-Global-Stocktake-draft-text-that-goes-backward-on-ambition.

FRANCE 24, "COP28 Draft Deal Calls for 'Reducing'—Rather than 'Phasing out'—Fossil Fuel Production," France 24,

December 11, 2023,

<https://www.france24.com/en/environment/20231211-un-climate-chief-urges-countries-to-lift-tactical-blockades-to-reach-deal-on-fossil-fuels-at-cop28>.

¹¹ "COP28 Climate Talks Agree on Transitioning Away from Fossil Fuels," European Parliament News, December 13, 2023, <https://www.europarl.europa.eu/news/en/press-room/20231205IPR15686/cop28-climate-talks-agree-on-transitioning-away-from-fossil-fuels>.

¹² Anne Rasmussen, "COP28 Closing Plenary: Aosis Statement on GST Decision," AOSIS, December 13, 2023, <https://www.aosis.org/cop28-closing-plenary-aosis-statement-on-gst-decision/>.

¹³ Katharine Sanderson, "COP28 Climate Summit Signals the End of Fossil Fuels — but Is It Enough?," *Nature* 624, no. 7992 (2023): 484–85, <https://doi.org/10.1038/d41586-023-04025-y>.



the energy transition while ensuring energy security.” With the world working on a roadmap for ending fossil fuels, transitional fuels are accepted as a promising stepping stone. Yet, the text does not provide any further clarification on what shall be included or excluded under this concept. According to a leaked recording heard by Climate Home News, a Russian negotiator claimed at COP28 that “we suggest emphasizing the role of fuels with a low-carbon footprint in particular natural gas – that’s transitional fuels and that enables efficient greenhouse gas reductions.”¹⁴ However, neither “transitional fuels” nor “fuels with a low-carbon footprint” caught as much attention as oil and lacked meaningful discussions throughout the Conference. The unclear scope of transitional fuels may allow stakeholders with strong interests in natural gas—usually classified as clean fossil fuel—to find a loophole in taking the necessary actions toward full transition. Natural gas does not provide a fully clean energy alternative in all circumstances. According to the United Nations Environment Programme (UNEP), while natural gas combustion produces half the carbon dioxide per unit of energy compared to the best coal technology, it causes prominent methane emissions and leakages. Its cleanliness is conditional upon many factors including the combustion technology used and the proper maintenance and operation of machinery and equipment.¹⁵ Unless facilities and operations are under proper management, methane, a GHG 84 times more potent than carbon dioxide, could accelerate climate change

at an unparalleled pace. In short, stakeholders may take advantage of the absence of a clearly defined scope of transitional fuels to shelter themselves from actually bringing an end to the fossil-fuel era and to “greenwash” future investments in gas-based industries.

What is also missing from the UAE Consensus is a functional financial mechanism that enables a just, orderly, and equitable transition. The assessment by the Standing Committee on Finance of UNFCCC shows that to implement the Nationally Determined Contributions of developing countries by 2030, a significant financial gap of USD 6 trillion needs to be closed.¹⁶ For developing countries, limited financial resources could hinder their ability to shift from dirty to clean energy. For example, the GST recognizes zero and low-emission technologies including carbon capture and utilization which could be unproven at scale and expensive for developing nations. Additionally, the lack of a proper financial mechanism can lead to issues of injustice by compelling low-income countries to forfeit their opportunities for economic growth and sacrifice investments for poverty reduction without providing adequate support or finding an equitable pathway.¹⁷ In this aspect, Rachel Cleetus, the policy director at the Union of Concerned Scientists, criticized the final text for not urging the industrialized countries—which bear more historical carbon emission responsibilities—to offer more financing to close the energy poverty gap for low and middle-income countries.¹⁸ A just transition as referred

¹⁴ Joe Lo, “How Russia Won a ‘dangerous Loophole’ for Fossil Gas at COP28,” Climate Home News, December 15, 2023, <https://www.climatechangenews.com/2023/12/15/how-russia-won-a-dangerous-loophole-for-fossil-gas-at-cop28/>.

¹⁵ “Is Natural Gas Really the Bridge Fuel the World Needs?” UNEP, January 12, 2023, <https://www.unep.org/news-and-stories/story/natural-gas-really-bridge-fuel-world-needs>.

¹⁶ “Why Climate Finance Matters: Remarks by UN Climate Change Executive Secretary Simon Stiell,” UNFCCC, May 9, 2023, <https://unfccc.int/news/why-climate-finance-matters-remarks-by-un-climate-change-executive-secretary-simon-stiell>.

¹⁷ Mark Gongloff, “Commentary: The Cop28 Deal Is Missing One Big Thing - Money,” CNA, December 15, 2023, <https://www.channelnewsasia.com/commentary/cop28-climate-deal-fossil-fuels-money-funds-developing-nations-3988826>.

¹⁸ Valerie Volcovici, Gloria Dickie, and William James, “Nations Strike Deal at COP28 to Transition Away from Fossil Fuels,” Reuters, December 14, 2023, <https://www.reuters.com/business/environment/countries-push-cop28-deal-fossil-fuels-talks-spill-into-overtime-2023-12-12/>.



to in the UAE Consensus includes accommodating the nearly 32 million people who are employed in the fossil fuel industry around the world. To justly transition away from fossil fuels a solid financial and economic foundation is needed for creating decent new job opportunities for those dependent on fossil fuels for their livelihoods, as well as giving them access to proper training for new roles in the clean energy sector.

Finally, the first GST fails to provide an effective enforcement mechanism. Similar to the Paris Agreement, the UAE Consensus does not hold any binding power. Moreover, wording on the transition in the final text leaves room for interpretation. The incorporation of climate pledges and actions are thus highly dependent on decision-making at a national level.¹⁹ How the shift away from fossil fuels will materialize on the ground is filled with uncertainties. This further implies that there could be a long way to go before the plans and agendas of the Consensus take shape, especially in major oil-producing and exporting countries. As was reported by Al Arabiya, the energy minister of Saudi Arabia announced that the outcomes of the GST would not affect the crude oil exports of the country.²⁰ And in fact, within just two days of the close of COP28, the president Dr. Sultan Al Jaber announced that his own company would continue its investments in fossil fuels.²¹

In the short term, how nations with different levels of capacity and resources respond to the

appeals of ending dependency on fossil fuels will be found in their revised Nationally Determined Contributions in 2025. To ensure that the terms outlined in the Consensus are more than empty talk, the next COP in Azerbaijan has to move the negotiations towards more implementation details such as quantified goals, an explicit timeline, and an enforcement mechanism with a periodic review agenda.

Successful operationalization of financial and technical assistance to climate losses and damages

A remarkable achievement of COP28 is that the Loss and Damage Fund launched at last year's COP became operational on the opening day. This historic agreement is based on the recommendations of the operation mechanism formed through five Transitional Committee meetings over the past year and consensus among developed, polluting nations on supporting vulnerable communities to tackle disasters associated with the climate crisis. Following the decision, several countries quickly announced pledges to the Fund. Leading contributors included France, Italy, Germany, and the United Arab Emirates (UAE) together pledging over USD 400 million in total.²² In contrast, the United States received criticism for its small contribution of just USD 17.5 million.²³ In total, over USD 790 million was pledged to the Fund with the World Bank taking charge of it over the first four years.²⁴ However, compared to the sheer amount of global fossil fuel subsidies, totaling USD 7

¹⁹ DHNS, "COP28: Ambition without Sincerity," Deccan Herald, December 15, 2023, <https://www.deccanherald.com/opinion/editorial/cop28-ambition-without-sincerity-2813526>.

²⁰ "Saudi Energy Minister Says Riyadh Backs COP28 Deal, Praises Flexible Approach," Al Arabiya News, December 13, 2023, <https://english.alarabiya.net/business/energy/2023/12/13/Saudi-energy-minister-says-in-agreement-with-COP28-presidency-on-final-deal>.

²¹ DHNS, "COP28: Ambition without Sincerity," Deccan Herald, December 15, 2023,

<https://www.deccanherald.com/opinion/editorial/cop28-ambition-without-sincerity-2813526>.

²² Joe Thwaites, "COP28 Climate Funds Pledge Tracker," December 9, 2023, <https://www.nrdc.org/bio/joe-thwaites/cop-28-climate-fund-pledge-tracker>.

²³ Angela Dewan, Ella Nilsen, and Rachel Ramirez, "Nations Pledge Millions to New Climate Damage Fund at COP28, US Criticized for Its Small Contribution," CNN, November 30, 2023, <https://edition.cnn.com/2023/11/30/climate/loss-damage-fund-adopted-cop28/index.html>.

²⁴ "Singapore Won't Claim from Climate Loss & Damage Fund; Will Help Other Countries Access Money from It:



trillion in 2022, the pledges announced so far are disappointingly small.²⁵ To realize the vision of the Loss and Damage Fund, stronger commitments from developed countries and high-income fossil fuel-producing nations are urgently needed.²⁶

The cooperative efforts of addressing climate change impacts in vulnerable countries were also underlined by an agreement on institutional arrangements to operationalize the Santiago Network for Loss and Damage. Going hand in hand with the Loss and Damage Fund, the Network aims to help developing countries prevent, mitigate, and manage the impacts of climate change-induced loss and damage through its mandate of facilitating and accelerating access to knowledge, resources, and technical assistance from various organizations, bodies, and experts to develop comprehensive approaches to addressing climate-related risks.²⁷ While negotiation parties failed to achieve consensus on the host of the Network, COP28 managed to appoint the UN Office for Disaster Risk Reduction (UNDRR) and the United Nations Office for Project Services (UNOPS) as hosts for the secretariat.²⁸ The decision on the secretariat

marks the first fundamental step towards delivering essential technical assistance to communities at the forefront of the climate crisis.²⁹ To enable full operationalization of the Network as soon as possible, its advisory board will meet in the first quarter of 2024 to discuss potential contributors, evaluation, and monitoring systems.³⁰

COP28 Outcomes: Toward a sustainable economic future in the GCC

During COP28, the GCC countries addressed a wide range of issues affected by climate change through over 25 events held at the GCC pavilion, including agriculture, health, education, marine management, energy, youth leadership, etc.³¹ As the host country, the UAE took the lead in demonstrating steadfast commitments during the Conference. In addition to the pledge to the Loss and Damage Fund, the UAE launched Alterra, a private investment fund of USD 30 billion aimed at empowering climate projects in developing countries.³² To support the Methane Finance Sprint which aims at cutting methane emissions in low and middle-income countries, the UAE contributed USD 100 million to the grant

Grace Fu," The Business Times, December 11, 2023, <https://www.businesstimes.com.sg/esg/singapore-wont-claim-climate-loss-damage-fund-will-help-other-countries-access-money-it-grace>.

²⁵ "Fossil Fuel Subsidies," IMF, accessed December 24, 2023, <https://www.imf.org/en/Topics/climate-change/energy-subsidies>.

²⁶ Amnesty International, "Global: Initial Pledges at COP28 to Finance the Loss & Damage Fund Fall Far Short of What Is Needed-World," ReliefWeb, December 1, 2023, <https://reliefweb.int/report/world/global-initial-pledges-cop28-finance-loss-damage-fund-fall-far-short-what-needed>.

²⁷ "COP28 Ends with Progress on Loss and Damage, Santiago Network and Transition Away from Fossil Fuels," UNDRR, December 13, 2023, <https://www.undrr.org/news/cop28-ends-progress-loss-and-damage-santiago-network-and-transition-away-fossil-fuels>.

²⁸ "COP28: Joint Statement on the Future of the Santiago Network," UNOPS, December 3, 2023, <https://www.unops.org/news-and-stories/news/cop28-joint-statement-on-the-future-of-the-santiago-network>.

²⁹ Members of the Loss and Damage Collaboration, "Did Cop28 Get Us Closer to the World We Want? Assessing the Outcome on Loss and Damage," The Loss and Damage Collaboration, December 13, 2023,

<https://www.lossanddamagcollaboration.org/pages/did-cop-28-get-us-closer-to-the-world-we-want-assessing-the-outcome-on-loss-and-damage>.

³⁰ Sarah George, "COP28: Vital Agreement on Loss and Damage Network Reached as Climate Summit Continues Past Time," edie, December 12, 2023, <https://www.edie.net/cop28-vital-agreement-on-loss-and-damage-network-reached-as-climate-summit-continues-past-time/>.

³¹ Focus Content Squad, "GCC Pavilion at COP28 Hosts 25 Events," HiDubai Focus, December 11, 2023, <https://focus.hidubai.com/gcc-pavilion-at-cop28-hosts-25-events/>.

³² AFP, "UAE Launches New \$30 Billion Climate Investment Fund at COP28 - ET EnergyWorld," ETEnergyworld.com, December 1, 2023, <https://energy.economicstimes.indiatimes.com/news/renewable/uae-launches-new-30-billion-climate-investment-fund-at-cop28/105655768>.



funding pool.³³ UAE banks also agreed to provide 1 trillion dirhams (around USD 270 billion) for green finance.³⁴

Nevertheless, with oil and gas playing a vital role in their economy and politics, some GCC nations are suspected of blocking or delaying a potential consensus on eliminating fossil fuels. Specifically, Saudi Arabia voiced its steadfast opposition to any phase-out or phase-down. It also asked other countries to take into consideration the “perspectives and concerns” of Riyadh.³⁵ Likewise, before the climate conference came to an end, at the 12th Arab Energy Conference held on December 11-12, 2023, the Oil Minister of Kuwait Saad Al Barrak stated Kuwait’s firm opposition to any fossil fuel phase-out in the final decision of COP28.³⁶ The strong opposition of Saudi-led OPEC countries remains a key driver behind the compromise of the final agreement of COP28 that prevented stronger language of ending fossil fuels. These factors will cause nations and stakeholders who advocate for a radical transition in the energy system to keep a closer eye on the next step of the GCC countries in the international climate regime. As the Conference concluded with an explicit ambition toward the energy transition, GCC

countries—especially major hydrocarbon exporters like Saudi Arabia, Qatar, the UAE, and Kuwait—are supposed to take prompt action to address the climate diplomatic rift between domestic development interests and international community expectations.³⁷

Moreover, the outcome of COP28 also motivates GCC countries to diversify their economic and environmental policies. According to the World Energy Outlook released by the International Energy Agency (IEA), the current policy setting suggests a scenario that the global demand for coal, oil, and natural gas will reach its peak in the current decade with the proportion of fossil fuels in the global energy system decreasing from 80% to 73% by 2030.³⁸ The UAE Consensus will further accelerate the progress towards the visible peak and a subsequent downward trend. Without reducing economic and development dependence on fossil fuels in export profiles and governmental revenues, GCC countries could remain vulnerable to consequent oil price fluctuations and the ebb and flow of the global energy market.³⁹

While COP28 results urge GCC countries to change from a defensive stance on fossil fuels

³³ Directorate-General for Energy, 2023 global methane pledge ministerial: Decisive action to curb emissions, December 4, 2023, https://energy.ec.europa.eu/news/2023-global-methane-pledge-ministerial-decisive-action-curb-emissions-2023-12-04_en.

³⁴ Reuters, “UAE Banks Pledge \$270 Bln in Green Finance at COP28 Climate Talks,” Reuters, December 4, 2023, <https://www.reuters.com/sustainability/sustainable-finance-reporting/uae-banks-pledge-200-bln-green-finance-cop28-climate-talks-2023-12-04/>.

³⁵ AFP, “Saudis, Iraq Stand Firm as COP28 Targets Fossil Fuels,” France 24, December 10, 2023, <https://www.france24.com/en/live-news/20231210-urgency-of-action-pressure-grows-for-cop28-climate-deal>. TBS Report, “COP28: Future in Balance as Saudi Arabia, Iraq Refuse to Phase out Fossil Fuel,” The Business Standard, December 11, 2023, <https://www.tbsnews.net/world/cop28-future-balance-saudi-arabia-iraq-refuse-phase-out-fossil-fuel-755570>.

³⁶ Fatemeh Salari, “OPEC Arab Ministers Convene in Qatar as COP28 Talk Fossil Fuel Abandonment,” Doha News,

December 12, 2023, <https://dohanews.co/opec-arab-ministers-convene-in-qatar-as-cop28-talk-fossil-fuel-abandonment/>.

³⁷ Neeshad Shafi, “The COP28 Climate Odyssey: Charting the Course for Gulf Countries,” Gulf International Forum, December 15, 2023, <https://gulffif.org/the-cop28-climate-odyssey-charting-the-course-for-gulf-countries/>.

³⁸ “The Energy World Is Set to Change Significantly by 2030, Based on Today’s Policy Settings Alone,” IEA, October 24, 2023, <https://www.iea.org/news/the-energy-world-is-set-to-change-significantly-by-2030-based-on-today-s-policy-settings-alone>.

³⁹ Neeshad Shafi, “The COP28 Climate Odyssey: Charting the Course for Gulf Countries,” Gulf International Forum, December 15, 2023, <https://gulffif.org/the-cop28-climate-odyssey-charting-the-course-for-gulf-countries/>.

Aisha Al-Sarihi, “COP28 Controversy and the Challenge of Energy Transition in the Gulf,” Chatham House, December 18, 2023, <https://www.chathamhouse.org/2023/12/cop28-controversy-and-challenge-energy-transition-gulf>.



to actively engaging in the global energy shift, it is impractical to compel them to undertake any “overnight” transition. A long-standing climate paradox in the Gulf region is that oil and gas play an indispensable role in enabling GCC countries to deal with challenges caused by rising temperatures and other climate crises. At the forefront of global warming, the summer temperature in the Gulf region usually exceeds 40°C with humidity of more than 80%. This year’s COP witnessed a warmer-than-usual December.⁴⁰ Year-round air conditioning is essential to deal with the extreme heat and remains a main driver of the growing electricity market which is fossil fuel intensive. According to the International Renewable Energy Agency (IRENA), in 2020, Bahrain and Kuwait completely relied on fossil fuels for electricity generation, while the proportion of electricity generated by nuclear or solar energy is less than 10% in the rest of the GCC countries.⁴¹

In addition to the vicious cycle of air conditioning and fossil fuel consumption, the Gulf region is also one of the most water-stressed areas in the world. The vast majority of freshwater in this region is derived either through the desalination of seawater or the extraction of deep aquifers.⁴² Holding more than 50% of the global desalination capacity,

the GCC region faces huge energy demand to operate desalination plants, which has long been satisfied by fossil fuels.⁴³ Furthermore, the local water shortage goes hand in hand with a heavy dependence on imported food to maintain food security.⁴⁴ Food imports account for 85% of the total food consumption within the GCC region but are mainly financed by energy exports.⁴⁵

Therefore, a shift away from fossil fuels is intricately intertwined with structural changes in multiple sectors of GCC countries. On the one hand, it takes time for Gulf nations to explore and implement strategies to diversify their economic structures and energy systems, which will eventually allow them to terminate fossil fuels with enhanced resilience to climate change and the global energy market. On the other hand, blessed with high annual average solar radiation of 1.1 barrel of oil equivalent per m², the GCC region has a great potential for solar energy development.⁴⁶ In this aspect, it is laudable that the Gulf region has already been making some changes from business-as-usual practices. For example, since 2018, Saudi Arabia has been investing in the AlKhafji Desalination Plant. As the largest solar-powered water desalination project in the world, this plant utilizes cutting-edge

⁴⁰ Aisha Al-Sarihi and Abdalfatih Hamed Ali, “Will COP28 Accelerate Climate Action in the Gulf and Beyond?” Middle East Council on Global Affairs, November 30, 2023, https://mecouncil.org/blog_posts/will-cop28-accelerate-climate-action-in-the-gulf-and-beyond/.

⁴¹ IRENA, rep., *Renewable Energy Markets: GCC 2023* (IRENA, 2023).

⁴² Saroj Kumar Jha, “Advancing Water and Energy Security in Gulf Nations,” World Bank Blogs, October 23, 2023, <https://blogs.worldbank.org/arabvoices/advancing-water-and-energy-security-gulf-nations>.

⁴³ Tarek Ben Hassen and Hamid El Bilali, “Water Management in the Gulf Cooperation Council: Challenges and Prospects,” *Water Scarcity, Contamination and Management*, October 17, 2022, 525–40, <https://doi.org/10.1016/b978-0-323-85378-1.00026-x>.

Saroj Kumar Jha, “Advancing Water and Energy Security in Gulf Nations,” World Bank Blogs, October 23, 2023, <https://blogs.worldbank.org/arabvoices/advancing-water-and-energy-security-gulf-nations>.

⁴⁴ Mohammad Al-Saidi and Sally Saliba, “Water, Energy and Food Supply Security in the Gulf Cooperation Council (GCC) Countries—a Risk Perspective,” *Water* 11, no. 3 (2019): 455, <https://doi.org/10.3390/w11030455>.

⁴⁵ Rob Bailey and Robin Willoughby, issue brief, *Edible Oil: Food Security in the Gulf* (Chatham House, 2013). Hui Ling Dang, “Food shortages are a bigger threat than food inflation for import-dependent GCC countries,” William Reed, August 22, 2023, <https://www.foodnavigator-asia.com/Article/2023/08/22/Food-shortages-are-a-bigger-threat-than-food-inflation-for-import-dependent-GCC-countries>.

⁴⁶ Abdullahi Mas’ud et al., “Solar Energy Potentials and Benefits in the Gulf Cooperation Council Countries: A Review of Substantial Issues,” *Energies* 11, no. 2 (2018): 372, <https://doi.org/10.3390/en11020372>.

N.W. Alnaser and W.E. Alnaser, “The Impact of the Rise of Using Solar Energy in GCC Countries,” *Renewable Energy and Environmental Sustainability* 4 (February 27, 2019): 7, <https://doi.org/10.1051/rees/2019004>.



technology and has a capacity to deliver up to 90,000 m³ of clean water per day.⁴⁷ Another example is the world's largest single-site solar plant launched by the UAE two weeks before the Conference. It will increase clean electricity supply and, in the meantime, improve affordability by powering nearly 20,000 domestic households at an impressively low rate of \$0.0132 per kilowatt-hour.⁴⁸ Entering the post-COP28 era, the GCC countries should set the priority on scaling up innovations and moving towards resilient economic structures driven by a cleaner energy system.

Conclusion

COP28 successfully moved the global climate action agenda further forward in a wide range of domains. Particularly, historic united cooperative efforts have been formed in terms of transitioning away from fossil fuels and addressing the climate loss and damage crisis in vulnerable countries. In order to achieve a complete shift from conventional to clean energy in all sectors, more details on the financial and implementation mechanisms and a strong call to expand the scope of action are essential.

With an unfulfilled ambition to eliminate fossil fuels in Dubai, the parties will bring the discussions back to the table next year in Baku, Azerbaijan. Nevertheless, it is undeniable that the international community needs to embark on a roadmap—be it full of flexibility and uncertainty—to end the fossil fuel era. This trend brings both challenges and opportunities for the Gulf region which has long been struggling with a climate paradox. For GCC countries, a transition away from fossil fuels is, in essence, a transition from an oil-dominated economy toward diversified development strategies.

Therefore, the GCC countries have to continue to accelerate the expansion of clean-energy innovations across multiple intertwined sectors, including but not limited to electricity generation, water supply, and food security.

⁴⁷ “Alkhafji Desalination Plant - Vision 2030,” Saudi Vision 2030, accessed December 23, 2023, <https://www.vision2030.gov.sa/en/projects/alkhafji/>.

⁴⁸ Gernot Wagner, “How to Assess the Outcome of COP28: By Gernot Wagner,” Project Syndicate, December 15, 2023,

<https://www.project-syndicate.org/commentary/cop28-pledges-methane-still-matters-even-if-oil-gas-industry-focusing-on-own-interests-by-gernot-wagner-2023-12>.

Gulf Research Center
Knowledge for All



مركز الخليج للأبحاث
المعرفة للجميع