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Economic Perspectives of the UNFCCC CoP Summits

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ABSTRACT

“Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance”. Economy and Environment are no way distinctive from each other and bridging the gap between these by implementing solutions to the problems associated are of crucial importance to the present global scenario. Unpredictable and random climate change is the alarming issue of the world that requires utmost concentration for the social and economic welfare. The United Nations Framework Convention on Climate Change (UNFCCC) instituted an global environmental convention to battle against “dangerous human interference with the climate system”. Conferences of the Parties (COP) are the yearly conferences to evaluate progression involving with climate change, to set up legally binding obligations for developed countries to reduce their greenhouse gas emissions. The objective of this paper is to familiarize the outcomes of the UNFCCC CoP Summits and to provide the economic perspectives of those Summits. The study is descriptive in nature and based on the second-hand published reports. The study also intends to provide a relationship with the economic problems associated with the environmental and climate changes. When the scarce resources are allocated with the evaluation of its alternative uses and with the application of resource use efficiency, the severity of environmental hazards and climate change could be minimized and thus aiming for global economic welfare.

Keywords: Economic perspective, Climate Change, Sustainable development, Economic welfare

Introduction

Though it is well known that climate change pose a hazardous impact on the people and environment, yet it has a serious threat on the sustainable economic development. The world is a critical position to aim for sustainable development, further intricate the challenging task of feeding the world population, which is estimated to attain 10 billion by the year 2050 (World Population Prospects 2019, United Nations Organization). The World Bank puts an alarming warning that if we don't consider and concentrate on climate change and environmental problems as soon as possible, it could cause 100 million more people into poverty by 2030. “The largest Impact of climate change is that it could wipe off up to 18% of GDP off the worldwide economy by 2050 if global temperatures rise by 3.2°C”¹. The United Nations Framework Convention on Climate Change (UNFCCC) was incorporated in the year 1992 with the ideal accomplishment of averting threatening human intercession with the climate structure. Conferences of the Parties (COP) are the yearly conferences to evaluate progression involving with climate change, to set up legally binding obligations for developed countries to reduce their greenhouse gas emissions.

Objectives

1. To familiarize the outcomes of the UNFCCC CoP Summits
2. To provide the economic perspectives of those Summits

Scope of the Study

The study emphasizes on the economic relationship with the environmental problems associated and with the climate change that has to be addressed by the present economists in this critical scenario.

¹ The Economics of Climate Change, Swiss Re Institute

Literature Review

Rowena Maguirea et al., (2023) suggested concrete measures to present a CoP of gender perspective, promised capitalizing for Gender Focal Points related with the National Climate Change and implanted gender meaningfully within existing climate finance process.

Julie Snorek and Elisabeth Gilmore (2023) described and evaluated a structured learning experience to support the progression of the students handling the research associated with climate change and their Commitment with international climate negotiations and revealed that the learning experience supported self- efficiency and involvement in climate change dimensions.

Lisa and Emily Boyd (2006) discussed the principal resolutions of the conference CoP 11 and Kyoto Protocol and concluded that success in the UNFCCC process was crucially significant to resolve climate change in both developing and developed nations.

Research Methodology

The study is descriptive in nature and based on the second-hand published reports of the UNFCCC. The study recalls the reports of the UNFCCC CoP Summits from the year 1995 till the present (2024) year.

Results and Discussion

The paper recalls the reports of the UNFCCC summits to familiarizes it's outcomes and hence attempts to provide the economic perspectives of those Summits.

CoP-1 (1995): discussed on the financial mechanism matters, countries agreed to a process-by-process financing modality for adjustment measures. The provisional instrumentation among the Committee and the Global Environment Facility (GEF) were also taken on. **CoP-2 (1996):** 'Geneva Declaration' that countersigns the IPCC inferences and compulsory effectual intents and substantial minimization in greenhouse gas (GHG) emissions. **CoP-3 (1997):** acquired the Kyoto Protocol that demonstrates emissions trading, ensemble use among developed countries, and a "clean development mechanism" to uplift joint emissions minimization projects among the parties. **CoP-4 (1998):** The Plan of Action constitutes the intention to signify effective growth on the basket funding, the progression and shifting of technology, the execution of FCCC and Protocol Articles and Activities Implemented Jointly (AIJ). **CoP-5 (1999):** appealed for responsiveness to the obligations of unsafe countries and economic enrichment of developing nations and recognized substitutes that minimize application-related costs.

CoP-6 (2000): intended to minimize distinctness that constituted the shifting of technology and institutional progression to support developing nations and nations with economies in transformation. **CoP-7 (2001):** Consultations were made on resolutions correlating to the Under Developed countries (UDCs), the Consultative Group of Experts (CGE), and insert to the 2002 World Summit on Sustainable Development. **CoP-8 (2002):** accessed the Delhi Declaration on 'Climate Change and Sustainable Development' that asserts progression and poverty elimination as predominating concern in developing nations. **CoP-9 (2003):** precisions and techniques to include afforestation and reforestation procedures under the Clean Development Mechanism; appropriate conventional principles on land use, land-use change and forestry (LULUCF); the Special Climate Change Fund (SCCF); and the Least Developed Countries (LDC) Fund. **CoP-10 (2004):** resolution on procedures and highlighters of the constitution of the Strategy for Resource Mobilization and the precautionary approach to the province issue of artificial life into the environment, defendable forest governance and magnification of forest carbon stocks.

CoP-11 (2005): principles associated with the "flexible mechanisms" aimed to assist members attain their emissions goals in a cost-effective way, and a adherence framework and also addressed many financial and budget-related issues which consisted measures to the Global Environment Facility (GEF). **CoP-12 (2006):** execution of the Strategic Plan for Biodiversity 2011–2020 and crucial resolutions consisting of deploying economical reserves and easing scientific and technical collaboration. **CoP-13 (2007):** To amalgamate and hierarchies "ecological connectivity" in the world biodiversity mechanism comprising of extended Concerted Actions with aimed conservational strategies. **CoP-14 (2008):** principles for progressing a world highlighter on drought, distributing knowledge and affiliating science and policy. Developing layout of the biodiversity schedule, climate and land, could provide cost-effective and defendable conclusions to few entrenched current global challenges. **CoP-15 (2009):** expedited with the commitments on institutional progression and on mobilization of resources and scientific and technical collaboration intending to solve the issues related to economy and organizational gaps leading to the achievement of the objective of 'fair and equitable benefit-sharing'.

CoP-16 (2010): resolutions on issues relating to executive, economical and organizational matters constituting the financial mechanism, instrumentation for intergovernmental meetings and a broad span of strategically matters. **CoP-17 (2011):** concentrated on resolutions for the Green Climate Fund and the Durban Platform and also insisted on the immediate action to resolve the distinctive related with the alleviation pledges and emission minimization. **CoP-18 (2012):** agreement for loss and damage for capacity building guidelines for resolving issues relating with the developing nations which are unsafe due to the climate change's unfavorable effects. **CoP-19 (2013):** Took on 'Record 365 resolutions' to offer conservative action to the wildlife species that were endangered and also assisted global trade. **CoP-20 (2014):** functionalized the 'Warsaw International Mechanism' for loss and damage, incorporated the Lima work programme on gender and espoused the Lima Declaration on Education and Promotion of Awareness.

CoP-21 (2015): intensified guidelines related to technology and instituted National Adaptation Plans (NAPs), enlarged the Least Developed Countries Expert Group's (LEG) endorsement. **CoP-22 (2016):** amplified Climate Technology Development, resolved long-term finance; offer guidelines to the Green Climate Fund (GCF) and the Global Environment Facility (GEF). **CoP-23 (2017):** launched the 'Ocean Pathway Initiative' and the Bonn-Fiji Commitment was incorporated in par with the Paris Agreement. **CoP-24 (2018):** addressed issues related to the Adaptation Fund and creating a collaborative measured target on economy and organizational framework for the periodic appraisal of the Technology Mechanism. **CoP-25 (2019):** Brought resolutions to the few economy-associated matters and gender inequalities like principles of the Global Environment Facility (GEF) and Green Climate Fund (GCF) and enhanced the climate ambition of the parties.

CoP-26 (2021): Called for the developed nations to increase twice their contribution to the adaptation fund by the year 2025 and upgraded Nationally Determined Contributions. **CoP-27 (2022):** incorporated the Global Goal on Adaptation (GGA) and the countries agreed on a long-tenure, organized effort that would assist nations to collaboratively attain the GGA. **CoP-28 (2023):** would concentrate on four major standards:- 'Fast-tracking the energy transition and slashing emissions before 2030; Transforming climate finance, by delivering on old promises and setting the framework for a new deal on finance; Putting nature, people, lives, and livelihoods at the heart of climate action; and Mobilizing for the most inclusive CoP ever'².

From an economic perspective, **COP-29 (2024)** is fundamentally focused on establishing the new financial architecture for global climate action, with its central task being the negotiation of the New Collective Quantified Goal (NCQG) to replace the \$100 billion annual pledge from developed to developing nations. This summit will grapple with the immense economic trade-offs of mobilizing trillions, not billions, of dollars in climate finance, balancing the immediate costs to donor nations against the catastrophic long-term global GDP losses projected from unchecked warming. Key economic debates will centre on sourcing funds—potentially through innovative mechanisms like global taxes or reformed multilateral development banks—and structuring finance as grants versus loans to avoid exacerbating debt distress, all while creating frameworks to unlock the massive private investment required for a just transition to a low-carbon economy.

Conclusion

The study aimed to provide the economic perspectives of the UNFCCC CoP Summits over the years and attempts to provide a relationship with the economic problems associated with the environmental and climate changes. The subject 'Economics' and environmental problems are not so differentiated and are inter-dependent on each other for their sustainable and steady growth. Though the economic progress among the global economies is decent, every nation irrespective of its degree of development suffers from environmental degradation and associated causes and problems. Hence there arises a need and collective and immediate actions in order to sustain the steady growth of welfare. When the scarce resources are allocated with the evaluation of its alternative uses and with the application of resource use efficiency, the severity of environmental hazards and climate change could be minimized and thus aiming for global economic welfare.

*"Saving our planet, lifting people out of poverty, advancing economic growth... these are one and the same fight. We must connect the dots between climate change, water scarcity, energy shortages, global health, food security and women's empowerment. Solutions to one problem must be solutions for all"*³.

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² <https://enb.iisd.org>

³ Ban Ki-moon, Quote on Climate Change

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9. <https://enb.iisd.org>