



## **IIGCC publishes open letter in support of ambitious COP28 outcomes.**

*Delivered to: H.E. Dr Sultan Ahmed Al Jaber, COP28 President-Designate, UAE Special Envoy for Climate Change, and Minister of Industry and Advanced Technology.*

Your Excellency,

As you prepare for a successful COP28, and in the context of the recently published synthesis report on the technical dialogue of the first global stocktake which clearly indicated that more action is needed to respond to climate change, we are writing to share our perspective on several key issues relating to the climate negotiations in Dubai.

IIGCC brings the investment community together to work towards a net zero and climate resilient future, with over 400 members across 27 countries, representing more than €65 trillion in assets. Our members are already catalysing real-world change through their individual capital allocation decisions, stewardship, and engagement with companies. They can unlock further private capital for a net zero and climate resilient world by 2050 with clear political signals from COP28.

Investors are uniquely placed to support the climate transition, although their ability to do so is in part predicated on there being a supportive and conducive political and regulatory environment. Importantly, part of their duty to clients and beneficiaries is to protect and preserve the long-term financial value of their assets from the physical and transition risks of climate change.

This position has led to the unprecedented net zero pledges made by financial institutions, including through the Paris Aligned Asset Owners and Net Zero Asset Managers initiatives, of which IIGCC is a key convener. However, to continue to ensure the preservation of long-term financial value, investors need the political and technical tracks of the COP28 negotiations to foster a policy environment which is similarly ambitious.

It is with this duty and the COP28 thematic programme in mind that we wish to highlight the importance of COP28 setting out a global pathway to achieve emissions reductions, enhanced resilience, and finance flows that are aligned with climate neutrality objectives and climate resilient development by supporting the following outcomes:

**Phasing out fossil fuels and speeding up global decarbonisation efforts**

As you state in your letter to Parties, ‘the science demands a strong mitigation outcome at COP28’.<sup>1</sup> We call on COP28 to:

- Respond to the Global Stocktake (GST) by urging all Parties to align their national policies with the shared commitment to achieve the long-term goals of the Paris Agreement. This includes clear pathways to increase renewable energy, the setting of more ambitious energy efficiency targets, accelerating the transition towards energy systems free of unabated fossil fuels, commitments to real, equitable, social-centered just transition pathways, and ensuring that only low carbon and net zero solutions are locked in for decades to come.
- Strengthen near-term ambition as this is key to keeping the Paris goals within reach. COP28 should strengthen ‘before 2030’ climate action, including through more ambitious 2030 targets.
- Build on the declaration proposal supported at COP27 by over 80 countries to phase out global fossil fuel use.<sup>2</sup> Given your role in the oil and gas sector, your leadership in getting Parties to approve this in Dubai, including a commitment by governments to end fossil fuel subsidies, would send a powerful signal to the investor community and beyond. Investors have already noted the support of several major economies for such efforts, for example the EU and its Member States agreeing in March 2023 to promote a global fossil fuel phase out at COP28.
- Encourage ongoing support for and consistent execution of the global methane pledge.<sup>3</sup>
- Encourage progress on sector transformation pathways, including more detail on sectoral targets. The synthesis report referred to the need to utilise the cost-effective opportunities we have to address the 2030 emissions gap.
- Focus on how to unlock private finance flows to emerging markets and developing economies (EMDEs)– spanning all areas of necessary climate action and alignment to net zero and climate resilience goals.

## **Build resilience and reduce vulnerability**

We reiterate the importance of COP28 achieving significant progress on enhanced adaptation action. This can lay the groundwork for a larger mobilisation of climate finance from all sources in this transition. We call on COP28 to:

- Provide greater clarity on the Paris Agreement’s Global Goal on Adaptation and build confidence that progress is being made to achieve it. This could help plug the gap in adaptation finance, particularly for EMDEs.
- Encourage public and private sector stakeholders to integrate physical climate risks into their own investment decisions as well as requiring assessments for investments involving public finance.

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<sup>1</sup> [COP28 UAE | Letter to Parties](#)

<sup>2</sup> <https://www.reuters.com/business/environment/eu-agrees-push-fossil-fuel-phaseout-ahead-cop28-2023-03-09/>

<sup>3</sup> <https://www.globalmethanepledge.org/>



## **Scaling up, accelerating and aligning finance for climate action**

Alongside supporting the delivery of the mitigation and adaptation goals of the Paris Agreement, it is becoming increasingly urgent also to accelerate progress in aligning global financial flows with pathways towards low greenhouse gas emissions and climate resilient development. We call on COP28 to:

- Support the reform of the global financial architecture in a way which helps address the finance gaps and derisks projects in order to provide strong signals to the wider investment community.
- Support progress on a New Collective Quantified Goal on Climate Finance which could help to mobilise public and private capital to deliver a net zero and climate resilient future – notably by considering the investment needs of emerging markets and developing economies.

The UAE's strategic position economically and geographically makes you a pivotal host nation to facilitate the urgent global policy shifts needed to meet the goals of the Paris Agreement. An ever-growing number of investors stand ready to work with the COP28 Presidency and policymakers in a wide number of jurisdictions to support the shifts needed to deliver a net zero and climate resilient world by 2050.

We welcome and look forward to further engagement with you and your team on these important issues ahead of COP28.

Yours sincerely,

Stephanie Pfeifer, CEO, IIGCC

The letter represents the views of Stephanie Pfeifer and the IIGCC team. It does not necessarily represent the views of members either individually or collectively.

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