

COP28, the Gulf States and the Clean Energy Transition: no Zero-Sum Game.

REVITALISING **MULTILATERAL** PERSPECTIVE AND POLICY SERIES

POLICY BRIEF

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SIGNIFICANT ACHIEVEMENTS

Hosted by the United Arab Emirates (UAE) from November 30 to December 13, 2023, the UN Climate Change Conference (*Conference of the Parties*, COP28) ended with an agreement ('[UAE Consensus](#)') that was called [historic](#) by some observers: [for the first time in the history of COP](#), the [final communique](#) pledged to transition away "from fossil fuels in energy systems, in a just, orderly and equitable manner" by adopting a fossil fuel phase-out agreement in order "to achieve net zero by 2050". By "tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030", the first global stocktake also aims to accelerate efforts towards the phase-down of unabated coal power and phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions. Additionally, the communique unprecedentedly [addresses](#) sustainable agriculture, [forest protection](#), [methane reduction](#), and climate-resilient, sustainable and equitable health systems, along with restorative,

protective, nature-based solutions, enhanced [public transport](#) and cycling infrastructure and ecosystem-based approaches.

Finally, 159 nations signed the [COP28 UAE Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action](#) to integrate [resilient food systems](#) into their Nationally Determined Contributions (NDC). It aims to reduce the vulnerability of all farmers, fisherfolk, and other food producers to the impacts of climate change, to promote food security and nutrition, to support female farmers and youth whose livelihoods are threatened by climate change, and to develop sustainable water management systems.

The agreement to operationalise the [loss and damage fund](#) provides a relevant [reparative mechanism](#) for industrial powers to transfer disaster recovery aid to developing nations suffering from rising sea levels, extreme weather events such as desertification, or ocean acidification and biodiversity loss. It was initially negotiated [between Germany and the UAE](#), with both announcing a commitment of [USD 100 million](#) each to the fund. Other nations also provided financial contributions with a total of almost [USD 792 million](#): both Italy and France pledged USD 108 million, Denmark USD 50 million, Ireland and the European Union (EU) USD 27 million each, Norway USD 25 million, the United States USD 17.5 million, Canada USD 12 million, and Japan USD 10 million.

COP28 AS A SUCCESS FOR THE UAE'S EFFORTS TO CONSOLIDATE ITS POSITION AS A GLOBAL HUB IN CLIMATE DIPLOMACY.

The UAE considered these results a success, as declared by UAE's COP President Sultan al-Jaber in his [final statement](#): "We should be proud of our historic achievement (...). It is a balanced plan, that tackles emissions, bridges the gap on adaptation, reimagines global finance, and delivers on loss and damage (...). It is strengthened by inclusivity. And it is reinforced by collaboration." His speech further

underscored the Emirati ambitions to play an influential role in global climate diplomacy, as it is the second Gulf state to host the COP after Qatar in 2012. Hence, the conference served as an excellent opportunity for the Emirates to showcase their climate action commitment on different levels. The most illustrative example was the UAE's launch of the [Alterra Fund](#), which aims to contribute an additional USD 250 billion by 2030 to climate economic measures by multiplying private capital and reducing barriers to investment in emerging markets, including Least Developed Countries (LDCs) and Small Island Developing States (SIDS). Its efforts also focus on [combining public and private finance](#) to leverage public funds and attract more private investments to promote the green economy. Notably, the UAE already invests in renewable energy projects such as solar parks, and is engaged with the [Global Center on Adaptation](#) (GCA) which aims to provide a platform for know-how transfer, training, and capacity development in climate action. Another initiative promoted by the UAE during COP28 was the inauguration of the [Oil and Gas Decarbonisation Charter](#), which aims to reduce emissions in the industrial sector, such as the oil industry. Thus in introducing such measures, the UAE clearly aims to portray itself as a "green champion" and a proactive player in global climate mitigation and adaptation.

In addition, the UAE preserved its status as a regional forerunner in climate diplomacy towards other regional [competitors](#) such as Saudi Arabia. The kingdom also aims to establish itself as a global hub for climate diplomacy by hosting the [MENA Climate Week 2023](#) in Riyadh, investing heavily in [hydrogen](#), and introducing the [Middle East Green Initiative](#) (MGI). In fact, all of the Gulf states have started to promote energy diversification and investments in non-oil sectors: between 2012 and 2022, the [renewable energy](#) capacity installed across the GCC witnessed an 85-fold increase, and Gulf countries such as Saudi Arabia, the UAE, and Oman launched the installation of [14 hydrogen projects](#). Furthermore, Saudi Arabia and the UAE

announced an injection of up to [USD 266.6 billion](#) and [USD 54.5 billion](#) respectively by 2030 in their energy transition. In this regard, national energy champions and investment funds such as Saudi Arabia's ACWA Power, the Qatar Investment Authority, and Abu Dhabi's Masdar have [started to invest](#) in other markets located in North Africa, Central or Eastern Asia, or Europe to diversify their energy portfolio and develop clean technologies.

CHALLENGES REMAIN HIGH: DIFFERING CLIMATE AND ENERGY POLICIES

Despite such achievements at COP28, challenges remain high: adaptation procedures lack concrete details, and financing faces shortcomings. Despite the influx of financial assistance for the loss and damage fund, the issue of sustainable climate financing was not solved: climate-change-related damages in developing countries are estimated at [USD 400 billion per year](#), which cannot be covered by the fund's current budget. Furthermore, the management structure has not yet been defined, and modalities of implementation and contribution remain unclear. Although COP28 injected an additional [USD 3.5 billion](#) in new pledges to the Green Climate Fund, the gap between pledges and disbursements remains high, which reduces the effectiveness of the fund's actions to tackle the implications of climate change on developing countries.

In general, the COP28 agreements are not binding for the 200 negotiating countries: each faces particular ramifications related to climate change, which also impacts their respective climate mitigation and adaptation policies. In this regard, COP28 has shown that the global leverage of oil-wealthy nations from the so-called "Global South" – such as the UAE – has further increased as they explicitly address their special needs and interests in contrast to industrial European nations such as Germany. As GCC states wield significant influence, oil-rich nations took the chance of the COP28 to highlight their ambitions and strategies: given almost [2,500 fossil-](#)

[fuel lobbyists](#) from nearly 100,000 visitors and delegation members engaged during the COP28 in official negotiations and behind-closed-doors talks, they aimed to strengthen the position of oil-producing countries, which was [criticised](#) by a number of experts and climate-vulnerable groups such as the [alliance of small island states \(AOSIS\)](#). For instance, [the communique recognises](#) “that transitional fuels can play a role in facilitating the energy transition while ensuring energy security”, which essentially refers to gas; this expression explicitly serves the interests of Qatar, Saudi Arabia, the UAE, and other gas producers.

CRITICISM AND SELF-CONFIDENCE: THE GULF STATES’ POSITION ON GLOBAL CLIMATE ACTION

The selection of the UAE as COP28 host raised [concerns](#) about the Emirati willingness and commitment to address the need to turn away from fossil fuels. The UAE is the [sixth-largest oil producer](#) on a global level; in the Gulf region, 30% of global petroleum reserves and 20% of total natural gas reserves are located there, and oil and gas exports still dominate their export portfolios and state revenues. Despite growing investments in green energy, most of the Gulf states – such as the [UAE](#) or [Qatar](#) – have extended their capacities to produce oil and gas in order to maintain or increase their fossil fuel exports. For the oil-rich countries of the Gulf Cooperation Council (GCC), a rapid phase-out from fossil fuels contradicts their business models, as all of them are still highly dependent on revenues from oil and gas production. Therefore, they are more interested in technological solutions to produce fossil resources with less CO2 emissions. In this regard, countries such as the UAE and Saudi Arabia strongly advocate for the extension of carbon capture and storage technologies (CCUS), which again indicates their interest in adaptation rather than mitigation. However, CCUS is still in its developing phase, and thus has its [limitations](#).

Against this backdrop, it was questioned if the UAE and other oil-producing Gulf states are committed to seriously promoting energy transition and climate action given their heavy reliance on oil and gas revenues. Accusations of “[greenwashing](#)” intensified: in particular, al-Jaber remained in the spotlight of international criticism, as he also serves as the head of the Abu Dhabi National Oil Company (ADNOC) and thus for some, symbolises the power of the traditional oil industry, which – historically – has no interest in a clean energy transition. Despite such criticism, al-Jaber will remain a key figure in the UAE’s climate action policy: for instance, he is heading UAE initiatives such as the [Alterra Fund](#), together with other prominent Emirati political and economic decision-makers such as Majid Al Suwaidi and Khalifa Sultan Al Suwaidi.

Such debate again demonstrated that climate and energy policies still differ from country to country and depend on respective national motivations and interests. To achieve the final statement, extra rounds of negotiations were needed, and the delegates [extended](#) the summit for one additional day: the first draft did not mention the transition away from fossil fuels, as some influential oil producers such as Saudi Arabia and Russia [voted](#) against such an objective to preserve their own energy interests. As a consequence, political representatives such as Germany’s Foreign Minister Annalena Baerbock criticised the first draft as [clearly insufficient and disappointing](#). Nevertheless, the delegates reached a final breakthrough and agreed on the [first global stocktake](#), including the historic remark concerning the transition away from fossil fuels – a remarkable and unprecedented achievement amid ongoing differing views on the relevance of oil and gas in the energy transition.

Notably, this statement also served the UAE’s interests of showcasing its burgeoning relevance, as the Emirates – and other GCC states – are [manoeuvring themselves towards a pro-active and self-confident position](#) in an attempt to shape the ongoing global energy transition by aligning it with their socio-economic

interests. Consequently, they do not want to hamper their business models driven by fossil fuel revenues; rather, they wish to develop an alternative based on new technologies such as green and blue hydrogen, [nuclear energy capacity](#) or CCUS, as well as more financing from the private sector. For them, climate action is not a zero-sum game, as they want to [finance investments](#) in clean energy and energy efficiency with their oil revenues. As a consequence, the Gulf states will play a crucial role in global climate action, as they have emerged as not only drivers of climate adaptation, but have simultaneously gained leverage as fossil fuel producers and new hubs for alternative energies.

IN TIMES OF CONFLICTS AND POLARISATION: COP28 AS AN OPPORTUNITY FOR MORE REGIONAL COOPERATION

The GCC states should consider COP28 as an opportunity to foster [regional collaboration](#). Indeed, regional integration has been an undeniably complicated challenge for decades due to political tensions and fragility, economic disparities, and military conflicts, and has become even more problematic after Hamas's attack against Israel on October 7th, 2023, and the subsequent Israeli military campaign in the Gaza strip. As the risk of conflict escalation grew, chances for regional cooperation in climate action and energy collaboration have become limited. For instance, Jordan [announced](#) its withdrawal from an 'energy for water' deal with Israel soon after the Gaza-Israel war started. Nevertheless, [the potential for inter-regional cooperation remains high](#). Across the Gulf region, societies are harshly [affected](#) by sandstorms, droughts, extreme weather phenomena, and air or water pollution; insofar, the Gulf states are considering climate action and energy transition mainly as national interests. However, shifting from unilateral to multilateral partnership models could not only serve the national interests of the Gulf states, but also provide a way to find common solutions for common climate threats.

Climate change poses not only a risk for national economic growth, but also for cross-border social resilience, job creation, health, and political stability. Instead of working in parallel and finding themselves in economic and political competition, the Gulf states could forge a [collaborative approach](#) to climate action and energy transition. Such cooperation could include technological innovations, infrastructural project implementation, joint environmental research initiatives, human capacities empowerment, desalination technologies and expertise sharing serving as confidence-building measures. Multilateral regional organisations such as the [Islamic Development Bank](#) are already engaging in such actions, and could be promoted as drivers for closer regional climate cooperation. Finally, enhanced environmental collaboration also provides an opportunity for concrete actions with the [EU](#) beyond the issue of hydrogen and gas supply. In times of growing polarisation and anti-European sentiments in parts of the Gulf region, more cooperation in climate action could create concrete partnership models that overcome mutual mistrust and lack of credibility.

About the BIC

The BIC is an independent, non-profit, think-and-do tank based in the capital of Europe that is committed to developing solutions to address the cyclical drivers of insecurity, economic fragility, and conflict the Middle East and North Africa. Our goal is to bring added value to the highest levels of political discourse by bringing systemic issues to the forefront of the conversation.

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This project assesses multilateral measures being implemented by institutions such as the United Nations and the European Union and aims to find more effective policy to end conflict and foster sustainable political solutions.



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