

# The New York Times

## U.N. Climate Talks End With a Deal to Pay Poor Nations for Damage

Nations reached a landmark deal to compensate developing nations for climate harm. But some leaders said the summit didn't go far enough in addressing the root causes of global warming.



Sameh Shoukry, the Egyptian foreign minister, seated, reading a statement at the closing session of climate talks in Sharm el Sheikh. *Credit...Mohamed Abd El Ghany/Reuters*



By [Brad Plumer](#), [Max Bearak](#), [Lisa Friedman](#) and [Jenny Gross](#)  
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SHARM EL SHEIKH, Egypt — Diplomats from nearly 200 countries concluded two weeks of climate talks on Sunday by agreeing to establish a fund that would help poor, vulnerable countries cope with climate disasters made worse by the greenhouse gases from wealthy nations.

The decision on payments for loss and damage caused by global warming represented a breakthrough on one of the most contentious issues at United Nations climate negotiations. For more than three decades, developing nations have pressed rich, industrialized countries [to provide compensation](#) for the costs of destructive storms, heat waves and droughts linked to rising temperatures.

But the United States and other wealthy countries had long blocked the idea, for fear that they could face unlimited liability for the greenhouse gas emissions that are driving climate change.

The [loss and damage agreement](#) hammered out in this Red Sea resort town makes clear that payments are not to be seen as an admission of liability. The deal calls for a committee with representatives from 24 countries to work over the next year to figure out exactly what form the fund should take, which countries and financial institutions should contribute, and where the money should go. Many of the other details are still to be determined.

Developing countries hailed the deal as a landmark victory.

“The announcement offers hope to vulnerable communities all over the world who are fighting for their survival from climate stress,” said Sherry Rehman, the climate minister of Pakistan, which suffered catastrophic flooding this summer that left one-third of the country underwater and caused \$30 billion in damages. Scientists later found that global warming [had worsened the deluges](#).

While the [new climate agreement](#) dealt with the damages from global warming, it did far less to address the greenhouse gas emissions that are the root cause of the crisis. Experts say it is crucial for all nations to slash their emissions much more rapidly in order to keep warming at relatively safe levels. But the deal did not go much beyond what countries agreed to last year at U.N. climate talks in Glasgow.

“The loss and damage deal agreed is a positive step, but it risks becoming a ‘fund for the end of the world’ if countries don’t move faster to slash emissions,” said Manuel Pulgar-Vidal, who presided over the United Nations summit in 2014 and is now the climate lead for the World Wide Fund for Nature. “We cannot afford to have another climate summit like this one.”

The new agreement emphasizes that countries should strive to limit global warming to 1.5 degrees Celsius, or 2.7 degrees Fahrenheit, above preindustrial levels. Beyond that

threshold, scientists say, the risk of climate catastrophes increases significantly. Early in the summit, some negotiators feared that the talks [would abandon a focus on that target](#), which many vulnerable nations, such as low-lying islands in the Pacific, see as essential to their survival.

Current policies by national governments [would put the world on track](#) for a much hotter 2.1 to 2.9 degrees Celsius of warming this century, compared with preindustrial levels. Staying at 1.5 degrees would require countries to slash their fossil-fuel emissions roughly in half this decade, a daunting task.

India and more than 80 other countries wanted language that would have called for a “phase-down” of all fossil fuels, not just coal, but also oil and gas. That would have gone beyond the deal at Glasgow, which called for a “phase-down” of coal only. But that effort was blocked by major oil producers like Canada and Saudi Arabia, as well as by China, according to people close to the negotiations.

“It is more than frustrating to see overdue steps on mitigation and the phaseout of fossil energies being stonewalled by a number of large emitters and oil producers,” said Annalena Baerbock, the German foreign minister, in a statement.



Xie Zhenhua, China's special envoy for climate, and Sherry Rehman, Pakistan's climate minister, at the COP27 closing session on Sunday.

*Credit...Peter Dejong/Associated Press*

Frans Timmermans, the European Union's top climate official, said the deal fell far short of what was needed and was a sign of the growing gap between climate science and national climate policies. Too many countries blocked measures needed to address global warming, he said.

“Friends are only friends if they also tell you things you might not want to hear,” Mr. Timmermans said. “This is the make-or-break decade, but what we have in front of us is not enough of a step forward for people and planet.”

The two-week summit, which had been scheduled to end on Friday, stretched until dawn on Sunday as exhausted negotiators from nearly 200 nations clashed over fine print. The talks came at a time of multiple crises. Russia’s invasion of Ukraine has roiled global food supply and energy markets, stoked inflation and spurred some countries to burn more coal and other alternatives to Russian gas, threatening to undermine climate goals.

At the same time, rising global temperatures have intensified deadly floods in places like Pakistan and Nigeria, as well as fueled record heat across Europe and Asia. In the Horn of Africa, a third year of severe drought has brought millions to the brink of famine.

Much of the focus over the past two weeks was on loss and damage.

Developing nations — largely from Asia, Africa, Latin America, the Caribbean and South Pacific — fought first to place the debate over a loss and damage fund on the formal agenda of the two-week summit. And then they were relentless in their pressure campaign, arguing that it was a matter of justice, noting they did little to contribute to a crisis that threatens their existence. They made it clear that a summit held on the African continent that ended without addressing loss and damage would be seen as a moral failure.

As the summit neared its end, the European Union consented to the idea of a loss and damage fund, though it insisted that any aid should be primarily focused on the most vulnerable nations, and that aid might include a wide variety of options such as new insurance programs in addition to direct payments.

That left the United States, which [has pumped more greenhouse gases into the atmosphere](#) than any nation in history, as the last big holdout. By Saturday, as talks stretched into overtime, American officials said that they would accept a loss and damage fund, breaking the logjam.

Still, major hurdles remain.

There is no guarantee that wealthy countries will deposit money into the fund. A decade ago, the United States, the European Union and other wealthy emitters pledged to mobilize \$100 billion per year in climate finance by 2020 to help poorer countries shift to clean energy and adapt to future climate risks through measures like building sea walls. They [are still falling short](#) by tens of billions of dollars annually.

And while American diplomats agreed to a fund, money must be appropriated by Congress. Last year, the Biden administration sought \$2.5 billion in climate finance but secured just \$1 billion, and that was when Democrats controlled both chambers. With Republicans set to take over the House in January, the prospects of Congress approving an entirely new pot of money for loss and damage appear dim.

“Sending U.S. taxpayer dollars to a U.N. sponsored green slush fund is completely misguided,” said Senator John Barrasso, Republican of Wyoming. “The Biden administration should focus on lowering spending at home, not shipping money to the U.N. for new climate deals. Innovation, not reparations, is key to fighting climate change.”

The United States and the European Union secured language in the deal that could expand the donor base to include major emerging economies like China and Saudi Arabia. The United Nations currently classifies China as a developing country, which has traditionally exempted it from obligations to provide climate aid, even though it is now the world’s biggest emitter of greenhouse gases as well as the second-largest economy. The new changes are likely to spark fights in the future, since China has fiercely resisted being treated as a developed nation in global climate talks.

For their part, a variety of European nations have voluntarily [pledged more than \\$300 million to address loss and damage so far](#), with most of that money going toward a new insurance program to help countries recover from disasters like flooding. Poorer countries have praised those early efforts while noting that they may ultimately face hundreds of billions of dollars per year in unavoidable, irreversible climate damages.

“We have the fund, but we need money to make it worthwhile,” said Mohamed Adow, executive director of Power Shift Africa, a group that aims to mobilize climate action across the continent. “What we have is an empty bucket. Now we need to fill it so that support can flow to the most impacted people who are suffering right now at the hands of the climate crisis.”

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