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## Climate summit (COP27) kicks off in Sharm El-Sheikh ... World's attention turns to Egypt



The first activities of COP27 kicked off in Sharm El-Sheikh with the participation of His Excellency Abdel Fattah El-Sisi, President of Egypt, and several leaders, presidents, and eminent personalities from around the world.

The COP27 climate summit sheds light on several issues related to preserving the environment and limiting severe climate changes, which cause such disasters as drought, desertification, floods, forest fires, health and food crises, illegal migration, as well as the sinking of some coastal areas, because of rising sea and ocean water levels.

## Our Views

- One of the most important statements made in the opening session of the climate conference—apart from strict warnings of the deteriorating climate situation, and that what was agreed before by countries most responsible for emissions has not been implemented and is not sufficient to achieve the goal of reducing the earth's temperature, and the terrifying impact of the deterioration of the climate situation that appeared in the documentary that was shown—is the important phrase said by former US Vice President, Al Gore, that the world needs a 'renewed' or 'second' Bretton Woods Agreement other than the existing agreement that dates back to the end of World War II.
- Though brief, this statement is full of meaning. Global conditions have changed and the balance of power in the world has changed, but the global system remains as is.
- The world's current problems, including climate change, are due to incessant exploitation by the developed world of earth's resources, seeking to raise the levels of well-being of its people at the expense of nature, and at the expense of the rights of the rest of the peoples of the developing and poor world, which can be referred to as the 'South'. Eighty percent of earth's population live in the South, while its voice is hardly represented in the crucial decisions that directly affect it.
- The importance of that mentioned in Al Gore's speech is the fact that the call of a country like the United States to change the existing global economic system means the

beginning of awareness that climate is a public good, owned by everyone and affects everyone, and that it is necessary to seek to solve the problem from its roots and not just its symptoms, such as offering compensation for loss and damage.

- Solving the roots of the problem means changing the global system in all its details, taking into account the voice of the South, and respecting its right to self-determination. Therefore, **we call for urgently adopting a new, more inclusive global economic model to correct the current imbalance of power and bridge the current gap between North and South.**<sup>1</sup> To face up to these various challenges, we believe that methodological changes should be made, including but are not limited to the following:<sup>2</sup>
  - A ‘renewed’ or ‘second’ Bretton Woods Agreement that builds on the realities of the post-COVID-19 world and adopts a corrected balance of power in all three of its pillars: the IMF, the World Bank Group, and the World Trade Organization.
  - Greater inclusivity in the G20 through expanded country membership under a new G20+, whereby the new members are exclusively from the Global South. Representation can be further increased by aligning new membership to regional blocks across Africa, Southeast Asia, Asia Pacific, Central and South America, and MENA.

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<sup>1</sup> Part of a statement to COP27 leaders entitled “Leveraging Catalytic Capital to Build a New Growth Model Inclusive of the Global South” from the Global South Impact Community, created by the Rockefeller Foundation and the International Venture Philanthropy Center (IVPC). The statement was made during the conference organized by the Egyptian Center for Economic Studies on October 3<sup>rd</sup>, 2022 entitled “Towards COP27 and Beyond.” The statement was prepared by 20 experts from the countries of the South, including Dr. Abla Abdel-Latif, Executive Director and Director of Research of the Egyptian Center for Economic Studies (ECES).

<sup>2</sup> International Monetary Fund, “G20 Agreement on Quotas and Governance,” Last Updated 28 July 2017, accessed via <https://www.imf.org/external/np/exr/faq/quotasgov.htm>

The membership of the G20 has not changed since its founding and given the transformations in the global economy over the past two decades, there is a need to welcome new perspectives into the group, while including regions of future population growth. Adding additional members would bring the G-20's share of global GDP back over 90 percent, where it was when it first emerged in 2008, and after 20 years, Africa would finally have more than one seat at the table.

- Reallocation of power through equal voting rights for the three pillars of the international economic system (IMF, World Bank, and WTO), regardless of financial contribution, similar to the reallocation of voting shares, quota system, and voice reforms that G20 members drove at the IMF during the 2009 London Summit.
- Reforms to the UN system across financial, governance, security and voting functions along the same lines with fair power distribution, as the pillar of “reformed multilateralism.”
- Creation of a “Fair Transition Plan” along the lines of the World War II “Marshall Plan” that is customized to the specific needs of the Global South at the regional and continental level with the full financial support of the new “to be” World Bank Group.

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