

DENTONS GLOBAL ADVISORS

# COP27 - Key takeaways

Nov 2022



# Global context heading into COP27

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By Renju Jose

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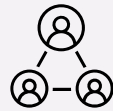


COP27 Summit Begins as Economy, Ukraine War Overshadow Climate Concerns

# What were the priorities for this COP?

Ahead of the conference, the following areas of priority were identified by the UN and the Egyptian Presidency

Implementation



A transformational shift to implement the Paris Agreement and make concrete actions on carbon reduction. “Together for implementation”

Progress on key topics



Make progress on the critical workstreams of mitigation, adaptation, finance and loss and damage.

Transparency



Enhance transparency and accountability throughout the UN Climate Change process.

*“COP27 sets out a new direction for a new era of implementation: where outcomes from the formal and informal process truly begin to come together to drive greater climate progress — and accountability for that progress”* UN Climate Change Executive Secretary Simon Stiell

*“COP27 creates a unique opportunity in 2022 for the world to unite, to make multilateralism work by restoring trust and coming together at the highest levels to increase our ambition and action in fighting climate change. COP27 must be remembered as the ‘Implementation COP’ – the one where we restore the grand bargain that is at the centre of the Paris Agreement.”* Sameh Shoukry, Egyptian Minister of Foreign Affairs and COP27 President

# What is COP? A reminder

## A few highlights from the conference

- Attended by approx. 45,000 delegates from 196 countries including heads of state, ministers, multilaterals, private sector and NGOs
- Nine days of negotiations, exhibitions, events, each with a different focus:
  - Finance 9 November
  - Science / Youth & future generations 10 November
  - Decarbonisation 11 November
  - Adaptation & agriculture 12 November
  - Gender / Africa - 14 November
  - Civil Society / Energy 15 November
  - Biodiversity 16 November
  - Solutions 17 November
- Goal is to reach Net Zero by 2050 and to limit global warming to 1.5 degrees, but organisations including UNEP and UNFCCC are now starting to accept this is likely not to be feasible

# Some key takeaways from COP27

While COP27 featured many discussions on many topics, a few key themes emerged from on the ground

- Action not words. **“We must have zero tolerance for net-zero greenwashing,”** the **United Nations Secretary General António Guterres said** There was a lot of talk about implementation, and evidencing commitments made at COP26, yet there is still widely considered to be an implementation gap.
- Agreement was reached on a dedicated **loss and damage fund** to compensate developing countries for climate-related impacts. A committee has been appointed to advise on this and recommendations will be presented at COP28
- **Private sector finance.** Governments will not be able to fund the transition so private finance will be needed to urgently finance climate solutions. **Blended finance** using different structures is also very much on the agenda eg a Just Energy Transition Partnership (JETP) with Indonesia, aimed at accelerating and supporting the shift of Indonesia’s power sector to clean energy sources, and mobilizing tens of billions of dollars to finance the transition.
- Link between **health and climate** is now well established. The medical sector is responsible for 5.5% of global emissions, bigger than the airline industry, over 90% of people breathe air that exceeds WHO air quality limits causing over 7 million deaths a year.
- **Food systems** need to change from how crops are grown ie fewer fertilisers and pesticides, transported, sold. Agriculture is responsible for 25% of global emissions
- **Carbon removal** solutions are now a legitimate conversation along with this year along with **carbon and nature-based credits**

# Multiple new commitments were made on the sidelines

- The **Central Banks and Supervisors' Network for Greening the Financial System** launched an initiative on blended finance and the International Organization of Securities Commissions launched two papers on giving credibility to carbon markets.
- **UN climate finance envoy Mark Carney** proposed a climate data platform to bring more accountability to financial institutions climate transition targets
- The **UK's Transition Plan Taskforce** launched guidance on what a “gold standard” transition plan looks like
- The **GFANZ Asia Pacific network** said it would launch guidance for financial institutions on phasing out coal power generation in the region.
- The **International Sustainability Standards Board (ISSB)** signed a partnership agreement with multiple organisations from emerging economies and smaller companies.
- US Special Envoy for Climate, John Kerry launched a partnership to help developing countries issues carbon credits. **The Energy Transition Accelerator** also involves the Rockefeller Foundation and the Bezos Earth Fund
- The **WEF** published a report on private sector action on air pollution
- The **Forest and Climate Leadership Partnership (FCLP)** a voluntary partnership of 26 countries was launched to build accountability around forestry commitments

# But overall a disappointing outcome

*“Emissions peaking before 2025, as the science tells us is necessary. Not in this text. Clear follow-through on the phase down of coal. Not in this text. A clear commitment to phase out all fossil fuels. Not in this text. And the energy text, weakened, in the final minutes.”*

COP26 President Alok Sharma

*“It does not bring enough added efforts from major emitters to increase and accelerate their emissions cuts. It does not bring a higher degree of confidence that we will achieve the commitments made under the Paris Agreement and in Glasgow last year.*

*“It does not address the yawning gap between climate science, and our climate policies.”*

EU Commission Vice President Frans Timmermans

*“Our planet is still in the emergency room,”*

António Guterres, the UN secretary-general.