

## COP 27 first week – key announcements (11.07.2022 – 11.11.2022)

The first week of COP 27, which is being held at Sharm el Sheikh, Egypt, is almost over.



Photograph: Mohammed Abed/AFP/Getty Images

Known as the **African COP**, this year's Conference is focused on the **implementation of announced commitments** and not on setting new ones. This week's thematic focuses were **finance, science, youth and decarbonization**. If you are curious to know what happened during the last few days, please enjoy our main insights below!

### 1. Global efforts are far from being enough to tackle the climate crisis - "We are on a highway to climate hell with our foot on the accelerator" (Antonio Guterres, UN Secretary-General)

- [New World Meteorological Organization report](#), presented at the Conference, indicates that the last 8 years are on their way to be the hottest on record;
- Climate Action Tracker [updated its projections](#) and, considering current stated policies, we are on our way to a +2.4 to +2.7 °C average warming above pre-industrial levels. Optimal scenarios indicate a +1.8 °C temperature increase by 2100, still above the target of +1.5 °C;
- [Global Carbon Budget Initiative indicated](#) that total CO<sub>2</sub> emissions remain high at a projected 40.6 GtCO<sub>2</sub> in 2022, with no sign of the decrease. If current emissions levels persist, there is a 50% chance that warming of 1.5°C will be exceeded in 9 years;
- [Climate Trace](#), led by Al Gore, presented its emissions data platform at the event, unifying 72,000 GHG emission sources globally. The tool indicates that only 500 sources, or less than 1% of all mapped ones, were responsible for 14% of GHG emissions in 2021;
- The UN High Level Expert Group on Net-Zero Commitments of Non-State Actors has [released recommendations](#) on what is necessary for non-state actors to call themselves aligned with the Paris Agreement. The goal of the group was to develop stronger and clearer standards for net-zero emissions pledges and speed up their implementation.

## 2. The African COP sets the stage for loss and damages, adaptation, and climate justice discussions - “We were the ones whose blood, sweat and tears financed the industrial revolution. Are we now to pay the cost as a result of those GHG from the industrial revolution?” (Mia Mottley, Prime Minister of Barbados)

- It is the [first time](#) that the theme of “losses and damages” is included in the official agenda of the event. These discussions seek compensation for least developed nations impacted by extreme weather events from high-emitting developed nations;
- [UN Adaptation Agenda](#), released during the first week aims at enhancing resilience for 4 billion people living in the most climate vulnerable communities by 2030;
- Private and public entities were called to contribute to the "[Executive Action Plan for the Early Warnings for All](#)", a US\$ 3.1 billion plan to achieve early warning systems for all humans in 5 years;
- South Africa finally had its US\$ 8.5 bn "[Just Energy Transition Plan](#)" approved by its backers. It foresees that 90% of the funds should be used to shut down coal-fired power plants and provides a template for nations such as Indonesia and India that are also highly dependent of coal. Since only 4% of the volume will be made available through grants, experts question whether this kind of financing model could [worsen the debt burden on developing economies](#);
- The US, Japan and other countries will offer a [climate finance deal](#) worth between US\$ 15 bn - US\$ 20 bn to help Indonesia shift its coal-dominated power grid away from the polluting fossil fuel. Details of an agreement will be announced during the Group of 20 meetings in Bali next week;
- [Young African activists](#) took over the halls of COP27 to demand that negotiators address the issue of loss and damage.

## 3. Climate financing in emerging markets was a hot topic and the private sector was called up to contribute more

- After the failure to deliver the climate finance commitment of US\$ 100 bn per year by 2020, new estimations point that between [US\\$ 1 tn](#) per year in external finance will be needed by 2030 for emerging markets and developing countries (EMDCs) other than China;
- [Mobilizing private finance at scale](#) – including through blended finance mechanisms -, revamping the role of the multilateral development banks, expanding the role of concessional finance, and tackling emerging markets indebtedness are seen as critical to enable climate finance at the levels needed;
- John Kerry presented [The Energy Transition Accelerator](#) that aims at channeling billions of dollars in **private sector investment** to phase out fossil fuels and accelerate renewable electricity in emerging

markets through the carbon credits. [Experts still doubt](#) the integrity of a credit-based program that could be used for compensating for existing emissions.

#### 4. The value of forests keeps rising among priorities

- The big three tropical rainforest nations – Brazil, Indonesia and the Democratic Republic of the Congo – were in talks to form a [strategic alliance](#) to coordinate on their conservation, known as the **OPEC for rainforests**. Those 3 countries are altogether responsible [for 52% of standing forests](#) nowadays;
- 26 countries and the European Union – which together account for over 33% of the world's forests and nearly 60% of the world's GDP – launched the [Forest and Climate Leaders' Partnership \(FCLP\)](#). This partnership will build on the Glasgow Leaders Declaration for Forests and Land Use made by 140+ countries to halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation;
- The USA launched its [Nature-Based Solutions Roadmap](#) with recommended actions including updating policies and unlocking funding to increase the deployment of nature-based solutions to address climate change.

#### 5. Fossil fuels – even though they are still needed, they are not welcome

- Formerly considered as unwelcome, the O&G sector was invited to this year's discussions at the COP. The context this year was changed due to the global energy crisis and recognition of the world's still ongoing dependence on fossil fuels;
- At the same time, the presence of 636 participants of the O&G industry, which is the [2<sup>nd</sup> largest delegation, only after the UAE](#), was target to manifestations that screamed [“kick polluters out”](#);
- During finance day, Mark Carney emphasized that “the world will not reach net zero in aggregate through divestment”. The Chair of the GFANZ, coalition under scrutiny for its financing of fossil fuels, highlighted that investors need to finance a sustainable and resilient transition, including “going where emissions are and backing sound transition plans by heavy emitters”.

#### 6. Climate leadership – USA and Brazil coming back

- This year, for the first time, the Brazilian delegation [was divided in 3 groups](#): one for the government, one for the civil society, and one for the Amazonian States. For the next year, already considering the new Brazilian government, Izabella Teixeira, ex-minister of the environment, said there will be only [one unified delegation](#) with combined interests – what has been [welcomed by international stakeholders](#);
- The President of the United States, Joe Biden, [made a speech](#) in which he attested that the US will meet their emission targets for 2030 and reinforced its commitment to US\$ 11 bn for international climate funding by 2024, including US\$ 3 bn for adaptation. Biden also reinforced the [administration](#)

[climate efforts](#) since taking office, including the [Inflation Reduction Act that could reduce US emissions by 1Gt by 2030](#);

- Moreover, John Kerry (US) and China's climate envoy, Xie Zhenhua, have [started unofficial conversations](#) on climate-related issues during, a potential signal that relations between the two world superpowers are warming despite a formal suspension of bilateral negotiations on related matters earlier this year.