

## COP 27 second and final week – key takeaways (14.11.2022 – 20.11.2022)

After two long weeks and delays, COP 27 is finally over – and the [Sharm el Sheikh Implementation Plan](#) was finally agreed last Sunday. The Conference was marked by the [presence and voice of the developing economies](#), including many young activists, indigenous peoples, and active participation of the civil society and private sector.



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**Was COP 27 a success?** This question has not a straightforward answer. While most celebrate the wins – in particular the establishment of a loss and damage fund and the [willingness to discuss thorny and complex issues](#) – there is a sense that the final deal was a missed opportunity to increase climate ambition on phasing out fossil fuel consumption, advancing on adaptation and climate finance.

Catavento gathered in this document 5 key messages and conclusions of this COP.

### 1. Climate justice and adaptation - a loss and damages' fund was agreed among parties

- “[Loss and damage](#)” refers to the most severe impacts of extreme weather on the physical and social infrastructure of poor countries, and the financial assistance needed to rescue and rebuild them;
- More than 200 countries came into an agreement on the creation of the fund, but details on how this mechanism will work are still uncertain. [A transitional committee](#) will be created and the operationalization of the mechanism will be further discussed and detailed at COP28, in November 2023, including contributors (only developed economies, or top emitters such as China and India also) and who will be the recipients;

### 2. Implementation – it was proved to be much more difficult than setting targets

- Even though it was called the “Implementation COP”, this year’s conference witnessed the difficulties of turning pledges into action;

- One of the key pillars of implementation refers to directing climate finance to the transition of developing economies, since the initial [target of US\\$ 100 bn by 2020](#) was not yet fulfilled;
- In the final text, countries agreed that delivering such funding will require “a transformation of the financial system and its structures”. They called on [multilateral development banks \(MDBs\) and international financial institutions to scale up](#) and simplify access to climate finance, including through blended finance and other tools to attract private capital;
- A [US\\$ 20 bn deal was also signed with Indonesia](#), led by the EU, United States and Japan, to finance the retirement of Indonesian coal plants and scale up renewables, amid the Just Energy Transition Partnership;
- [Current policies](#) are still leading to a +2.4 to +2.7 °C average temperature increase above pre-industrial levels. Optimal scenarios indicate a +1.8 °C temperature increase by 2100, still above the target of +1.5 °C that was reinforced in the [G20 communique](#). Although some countries were calling for a loosening of the ambition, the target was reinstated in the final agreement;
- Finally, some advancements in national targets and plans were spotted. The EU stated it is on track with [at least 57% reduction by 2030](#) (compared to 1990 levels), which is 2 p.p higher than the target set out in the European Climate Law (at least 55%) and India submitted its [Long-Term Low Emission Development Strategy](#) to reach its net zero in 2070 target.

### 3. Fossil fuels and energy security - the energy crisis showcases the global dependence of oil, gas and coal, but also the urgent need for energy transition

- [The Plan's final text](#) recognized that “the unprecedented global energy crisis underlines the urgency to rapidly transform energy systems to be more secure, reliable, and resilient, including by accelerating clean and just transitions to renewable energy during this critical decade”;
- At the same time, [no significant progress](#) has been made in commitments on fossil fuels. The text kept the previous phrase of “phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies”, while countries such as India were calling for a phase down of all fossil fuels. In this sense, COP27 is considered a backward step by many;
- [Many criticized](#) the final text since it promotes not only renewables but also “low-emission” energy. This could be interpreted as gas, a fossil fuel which is less polluting when burned than coal, or fossil fuels with carbon capture and storage. This can also be seen as a byproduct of the Russia-Ukraine war and its impacts on global energy markets;

#### 4. Nature-based solutions - forests and oceans are recognized as part of climate mitigation efforts

- For the first-time, a COP cover decision includes the term "nature-based solutions" - and a dedicated section on "forest";
- [Discussions on Article 6 implementation](#) throughout the Conference can leverage the role of nature-based solutions, although several issues remain to be solved. A technical body made recommendations on how to define carbon removals for trading purposes. Due to claims that the options involve untested or controversial processes, negotiators sent the recommendations back for further work. Experts also raised concerns over bilateral carbon trades between countries whose contracts could be made confidential, since this could make accountability harder;
- The USA released its [first Nature-Based Solutions Roadmap](#), an outline of strategic recommendations to put America on a path that will unlock the full potential of nature-based solutions to address climate change, nature loss, and inequity;
- Brazil, Congo and Indonesia [formally launched a partnership to cooperate](#) on forest. The agreement claims that countries should be paid for reducing deforestation and maintaining forests as carbon sinks and that they will work to negotiate "a new sustainable funding mechanism" to help developing countries preserve their biodiversity, as well as to increase funding through the REDD+ program;
- The [oceans were also part of the final text for the first time](#), that emphasized that governments should include "ocean-based action in their national climate goals and in the implementation of these goals";

#### 5. Brazil is back – the country rejoins the climate fight

- Brazilian president-elect Luiz Inácio Lula da Silva attended the Conference in person and met with climate envoys from [the US and China](#), pointing that "[Brazil is back](#)";
- After telling delegates he would seek to make [Brazil the host of COP30 in 2025](#) in the Amazon, Lula said he wanted to host a summit of the member countries of the Amazon Cooperation Treaty — Brazil, Bolivia, Columbia, Ecuador, Guyana, Peru, Suriname and Venezuela — so they can discuss the promotion of "integrated development with social inclusion and climate responsibility";
- The president-elect also announced the [establishment of an Indigenous People Ministry](#), committed to ending deforestation and emphasized that he will increase pressure on developed countries to finance the transition of emerging economies;
- During the Conference, Lula also met with Norway's Environment Minister to talk about the reintegration of the Amazon Fund, that has been deactivated since 2019 due to governance issues with the Brazilian government. The Fund could be reinstated in the [first days of 2023](#).