

climate intelligence

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KEY TAKEAWAYS FROM COP28

COP28 took place in Dubai, UAE, between Nov 30 and Dec 12, 2023. COP28 focused on the implementation of credible plans, with the final agreement on the Global Stocktake including for the first time a commitment to transition away from fossil fuels in line with net zero by 2050

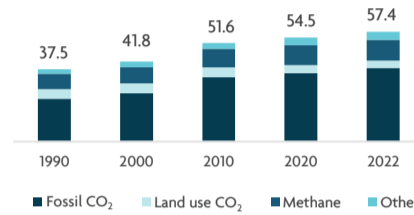
What did the final COP28 text achieve? Main highlights of the “UAE Consensus”

The [final agreement](#)^a reaffirmed the commitment to 1.5°C and called on countries to promote deep emission reductions considering different national contexts:

- **Triple renewable energy capacity** globally and **double** the global average annual rate of **energy efficiency** improvements by 2030
- **Transition away from fossil fuels** in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science
- Accelerate efforts towards: (i) the **phase-down of unabated coal power**; (ii) **zero- and low-carbon fuels**; (iii) the **reduction of emissions from road transport**; (iv) **zero- and low-emission technologies**, including renewables, nuclear, CCUS, particularly in hard-to-abate sectors, and low-carbon H₂
- Accelerate and substantially reduce **methane** emissions by 2030
- Phase out **inefficient fossil fuel subsidies**

How did we arrive at COP28? Global emissions gap is still widening

Global net anthropogenic GHG emissions^b
GtCO₂e/y



Science predicts **2023 to be the hottest year on record^c**, with more frequent and intensive **extreme weather events** reinforcing the climate urgency



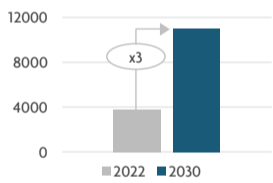
Existing pledges before COP28 lead to **+2.9°C by 2100^d**. Full delivery of COP28's renewables, energy efficiency and methane commitments could close **-30% of emissions gap** to 1.5°C^e



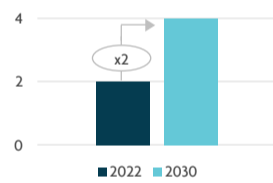
Although surrounded by criticism for being hosted in a large oil producer, COP28 reached a **historical agreement**, reinforced **commitment to 1.5°C** and moved forward on **implementation**

Driving the energy transition – upscaling deployment was at the center stage of discussions

Global renewable power capacity^f
GW, IEA's NZE scenario

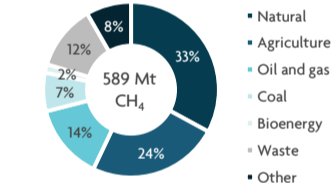


Primary energy intensity improvements^f
%, IEA's NZE scenario



Methane – COP28 saw an increase in the number of signatories to the Global Methane Pledge

Sources of global methane emissions^g
% 2023



Methane is responsible for **1/3 of net warming** since the pre-industrial period and is around **80x more powerful than CO₂** over 20 years

Key related outcomes/announcements from COP28

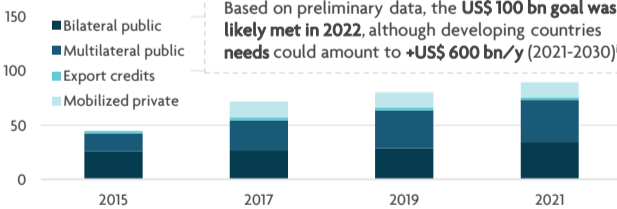
- **130 countries** committed to **triple renewable capacity** and **double** the rate of **energy efficiency** yearly gains by 2030, in line with IEA's net-zero trajectory
- **27 countries** took part in the **UAE Declaration of Intent**, committing to a global certification **standard for hydrogen** to accelerate H₂ trade
- **ISO** unveiled a new technical specification to harmonize **life cycle emissions** measurement and **safety** criteria in the **hydrogen** value chain

Key related outcomes/announcements from COP28

- **Global Methane Pledge** – over **US\$ 1 bn in new grant funding mobilized**. Canada, Germany, and Japan joined, totaling 155 governments. China and India have not committed
- **The role of China** – the country reinforced its pledge to address methane emissions, with a national action plan released in November
- **O&G Decarbonization Charter** – 50+ O&G companies, responsible for +40% of global production, target near zero CH₄ by 2030

Financing – blended finance at the center of discussions in order to upscale private sector role

Climate finance for developing countries^h
US\$ bn

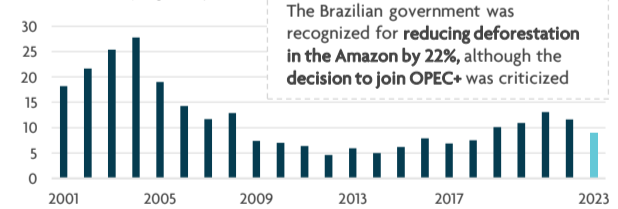


Key related outcomes/announcements from COP28

- **Loss and Damages Fund** - 200 countries agreed on the rules for the Fund, which will be operated by the World Bank in the initial phase. Over **US\$ 792 mn** were already committed by multiple parties
- **Climate finance** – the COP28 presidency indicates **US\$ 85 bn in climate commitments**, including the **US\$ 30 bn Alterra Fund**

Brazil's comeback – the country wants to be a leader in nature-based solutions and energy transition

Annual deforestation rates in the Legal Amazonⁱ
Thousand km² (Aug – Jul)



Key related outcomes/announcements from COP28

- **'Tropical Forests Forever' fund proposal** – objective to raise up to US\$ 250 bn from sovereign wealth funds to finance forest conservation based on a payments for conserved hectares (US\$ 25/ha)
- **BNDES R\$ 1 bn program for the Amazon restoration** – leveraged by the Amazon and the Climate Fund, it aims at de-risking private investment

Overall evaluation of key outcomes of COP28



First global agreement to mention **transition away from fossil fuels**, even if hosted by an **oil-producing country**



Collaboration sense among parties, with increased relevance of the **private sector, NGOs and academia**



Climate-vulnerable countries and NGOs missed the lack of a **more ambitious push to phase-out fossil fuels**



Recognition that transition will require **different timeframes among economies**, calling for finance to developing ones



Mobilization at scale of **financial resources** and increased focus on **hard-to-abate sectors** (e.g.: [Climate Club](#))



No deal on operationalization of **Articles 6.2 and 6.4**, that could help foment a global carbon market

^a / UNFCCC. [First global stocktake - Proposal by the President - Draft decision -/CMA.5](#). 2023; ^b / UNEP. [Emissions Gap Report](#). 2023; ^c / World Meteorological Organization. [2023 shatters climate records, with major impacts](#). 2023; ^d / UNEP. [Emissions Gap Report](#). 2023; ^e / IEA. [IEA assessment of the evolving pledges at COP28](#). 2023; ^f / IEA. [World Energy Outlook](#). 2023; ^g / IEA. [Sources of methane emissions](#). 2023; ^h / OECD. [Climate Finance and the USD 100 Billion Goal](#). 2023; ⁱ / UNFCCC. [Executive summary by the Standing Committee on Finance on the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement](#). 2021; ^j / INPE. [PRODES \(Desmatamento\)](#). 2023