



# COP27 Demystified.

Unpacking the events of Sharm el-Sheikh  
Key takeaways for the Membership Sector

December 2022



Q&A



RACE TO ZERO

# CAFA's Takeaways from COP27: **Sharm el-Sheikh.**

Our time at COP27 in Sharm el-Sheikh in 2022 was punctuated by meetings, learning and the sharing of best practice with other attendees, including fellow accelerators, partners and businesses.

As countries came together to take action towards achieving the world's collective climate goals, a number of businesses, NGO's and youth groups were also in attendance, showcasing inspiring initiatives and the proactive steps they have taken thus far to achieve change and make impact.

The conference itself was the biggest ever, with events and discussions stirring in every corner. Documented as the most attended COP on record, businesses played a greater role in bringing the implementation of negotiations to the table this year.

From CAFA's perspective, whilst there were some trade bodies and sector specific alliances in attendance, we would've liked to have seen more. There is a real opportunity for the membership sector to step it up, to be bolder and to set more ambitious targets to force change across the sectors and industries they represent.

By COP28 in 2023, we would hope to see a groundswell of trade bodies and membership organisations doing more, taking practical action and demonstrating proactive leadership to their members to do the same.

To achieve strong bold global outcomes there must be an increase in finance and support given to countries, industries and sectors. Membership organisations play a critical role in this in terms of pressing the need, driving policy, advocating for change and delivering true support to the professions and sectors your members represent.

# Loss & Damage.

Loss and damage became a key agenda point at COP27 as perhaps the biggest political issue for the G77 (a UN coalition of 134 developing countries, including China).

The last-minute additions became the flagship outcome with the conference closing with a breakthrough agreement to provide “loss and damage” funding for vulnerable countries hit hard by climate disasters. Governments took the ground-breaking decision to establish new funding arrangements, as well as a dedicated fund, to assist developing countries in responding to loss and damage.

# Finance.

The 10 most important Multilateral Development Banks (MDBs) published a joint statement, indicating that little progress has been made since COP26. Whilst MDBs are on their way to aligning their cash flows with the Paris Agreement, there are some clear gaps. Perhaps most crucially there was no mention of phasing out fossil fuel financing, or any referencing to alignment with 1.5C.

The Net Zero Banking Alliance Report stated that just over half of NZBA member banks have now set intermediate 2030 decarbonisation targets. The NZBA called on governments and regulators to support the voluntary alliance by “helping deliver an orderly and ‘whole economy’ transition to net zero.”

To convert net-zero ambitions into actions, the Glasgow Financial Alliance for Net Zero (GFANZ) released the Financial Institution Net-zero Transition Plans report, which provides voluntary, pan-sector recommendations and guidance for financial institution net-zero transition plans that are credible and ambitious.

The High-Level Expert Group on Climate Finance, set out a systemic reform programme for public and private finance to achieve \$2.4trn/year of financial flows for transition by 2030.

## Adaption.

COP27 saw significant progress on adaptation, with governments around the world agreeing on a way to move forward in improving resilience amongst the most vulnerable and scaling up adaption finance that is high quality and speedily accessible.

New pledges, totaling more than USD 230 million, were made to the Adaptation Fund at COP27. These pledges will help many more vulnerable communities adapt to climate change through concrete adaptation solutions.

The private sector took major role at COP27, particularly across the area of adaptation. It has been touted that the adaptation market could be worth \$2 trillion per year by 2026, with the developing world standing to benefit from much of this.

## Agriculture.

COP27 marked the first time that a COP Presidency has made a space for tackling food and climate.

COP27 clearly demonstrated a growing appreciation for the need of taking a joined-up approach to food systems.

For example, an overarching approach to sustainable food production, distribution, and retail; nutrition and dietary shifts; and addressing food loss and waste will be vital to making comprehensive headway in addressing climate change and many other social issues.

The Agriculture Innovation Mission for Climate (AIM for Climate) announced an increased investment of more than USD\$8 billion, up from USD\$4 billion at COP26 with the support of over 275 government and non-government partners.

The African Food Systems Transformation Initiative (AFSTI) and 70 African-owned agri-businesses announce an action plan for directing financial flows to food supply chains in Africa.

# Renewables.

Organisations representing wind, solar, hydropower, green hydrogen, long duration energy storage and geothermal energy industries will officially join forces in an unprecedented alliance. It brings together, for the first time, all the technologies required for the energy transition in order to ensure an accelerated energy transition. As well as ensuring targets are met, the Alliance also aims to position renewable energy as a pillar of sustainable development and economic growth.

The Energize programme is working to decarbonize the pharmaceutical industry's value chain by helping them to accelerate their renewable energy procurements. This growth accounts for 22.1 TWh of electricity demand.

Mobile network operators signal 64 terawatt hours (TWh) in new renewable energy required by 2030, and the Asia Clean Energy Coalition with Google, Meta and Samsung is launched to accelerate renewable electricity procurement in Asia. These clear demand side signals show progress towards the 2030 ICT & Mobile Breakthrough of 80% decarbonized electricity.

Ten leading shipping organisations and green hydrogen producers commit to producing and deploying at least 5 million tonnes of green hydrogen by 2030 to supply the 5% zero-emissions shipping fuels needed to put the global maritime sector on a decarbonization path aligned with limiting global warming to 1.5C or below.

# Science.

Climate Action Tracker's (CAT's) Warming Projections Global Update for COP27 provided a sobering reminder of the planet's future if countries fail to raise commitments and utilise finance to bring emissions down in the near term.

The update reveals that the CO2 emissions from all the under-construction, approved and proposed Liquefied Natural Gas (LNG) production projects 2021-2050 could use up around 10% of the remaining global carbon budget to keep to 1.5°C warming by mid-century.

The report also shows that if all 2030 national targets are met, warming in 2100 would still reach 2.4°C, the same as CAT's projection at COP26. Long-term net zero commitments would take it to 1.8°C. But the current policies pathway - a reflection of action on the ground - remains at a soaring 2.7°C. Few governments so far have increased their 2030 targets, made new net zero commitments nor substantiated them.

## Water.

The COP 27 Presidency launched the Action on Water Adaptation and Resilience Initiative (AWARe). The aim of the initiative is to put water in front and centre of adaptation and resilience action by offering transitional adaptation solutions for the planet and people, starting with the world's most vulnerable communities and ecosystems in Africa.

Signatories to the Glasgow Declaration for Fair Water Footprint made a call to action to governments in both developed and developing countries, progressive businesses, financiers and NGOs to join this leadership initiative which puts climate resilient and equitable water management at the heart of the global economy by 2030.

## Solutions.

Bloomberg launched a Net Zero Open Data platform to provide free and transparent tracking of corporate climate data across the world.

The Green Cement Technology Tracker was published in order to ensure more transparency and accountability by LeadIT and its partner, the Global Cement and Concrete Association (GCCA). The aim is to transparently track public announcements of low carbon investments in the cement industry.

The launch of the new Net Zero Playbook also provides companies with a set of practical solutions to address their most complex emissions challenges. It outlines what is possible, how to get started, and provides case studies demonstrating how industry leaders are already taking action across key decarbonisation levers.

# Transport.

Following a multi-stakeholder consultation process convened by the Egyptian COP27 Presidency, the global transport community affirmed the need to create highly tailored, context-driven urban transport solutions for developing countries. The launch of the Presidency initiative Low Carbon Transport for Urban Sustainability (LOTUS) is aimed at decarbonising the global urban mobility landscape.

The Accelerate to Zero (A2Z) coalition was also launched to promote and support the transition to zero emission vehicles globally. It's the world's largest transportation coalition with over 200 organizations including governments, industry and civil society.

The US launches the Zero Emission Vehicles Emerging Market Campaign (ZEV-EM-C), a one-year campaign that seeks to accelerate zero-emission passenger vehicle deployment in emerging markets.

Launch of The Collective for Clean Transport Finance aims to create the tools to change the risk profiles of investment in zero-emission transport.

Unveiling of the online Green Shipping Corridor Hub by the Zero-emission Shipping Mission. It's the first online one-stop-shop meant to streamline the formation and development of green shipping corridors.

# Businesses.

The Critical Business Actions for Climate Change Adaptation Report was published by the World Economic Forum (WEF). As companies are becoming acutely aware of climate impacts on their business, they need a framework for responsible action.

A coalition of 45 world leaders also launched the Breakthrough Agenda, an unprecedented international clean technology plan to help keep 1.5°C in reach. It provides a framework for countries and businesses to join up and strengthen their actions every year in key emitting sectors, through a coalition of leading public, private and public-private global initiatives.

## Urban Resilience.

Launch of the Presidency initiative Sustainable Urban Resilience for the next generation (SURGe) aims to build on commitments of cities and provide a holistic framework to achieve sustainable and resilient urban systems. It also aims to unlock urban climate finance and work with national governments, multilateral development banks and the private sector to facilitate access to finance and develop a pipeline of bankable projects.

The launch of the African Alliance for Sustainable Cities and Built Environment supports the [Africa Manifesto for Sustainable Cities & the Built Environment](#), which sets out policies related to energy, water, materials, finance and infrastructure that African business leaders, city and government officials must support to deliver a socially- and economically-inclusive built environment for everyone across the continent.

## Biodiversity.

The COP27 Presidency launched the [Enhancing Nature-based Solutions \(NbS\) for Climate Transformation \(ENACT\)](#) in collaboration with the [International Union for Conservation of Nature \(IUCN\)](#). The aim is to drive collective action across climate, biodiversity and desertification to help close the finance gap for nature-based solutions. ENACT will serve as a hub for government and non-State actors to foster collaboration, accelerate action, facilitate policy dialogue and bring global coherence to activities. The partnership will ensure adherence to the [NbS Global Standard](#).



# Energy Security.

Belgium, Colombia, Germany, Ireland, Japan, the Netherlands, Norway, the UK and the US join the Global Offshore Wind Alliance (GOWA). The Alliance aims to be a global driving force for the uptake of offshore wind by bringing together governments, international organisations and the private sector to close the emissions gap and enhance energy security.

The Planning for Climate Commission, a new global initiative focused on speeding up planning and approvals for the massive deployment of renewables and green hydrogen needed to address climate change and energy security was also launched.

RMI and Lion's Head Global Partners partnered to launch a targeted USD\$ 15 million Project Preparation Facility and an associated USD 75 million Caribbean Climate Smart Fund to invest in energy projects across the Caribbean. These projects will support climate resilience in the face of intensifying storms, stabilise electricity prices, and increase energy security, while saving tens of millions of dollars each year in fossil fuel imports.

# Fossil Fuels.

Fossil fuels and emissions reduction conversations were, very concerningly, almost completely left out of the conversation at COP27.

Momentum was building from India, the EU, AOSIS and civil society voices during COP27 to build on the G20 language in Bali and the Glasgow Climate Pact to include a reference to the phase down of all fossil fuels.

# Coal.

Energy Day saw the release of the IEA's Special Report on Coal in Net Zero Transitions, which reaffirms there is no room for new coal fired power stations if we are to reach the 1.5°C goal.

India threw a curveball with their call for COP27 to commit all countries to phase down fossil fuels. Today, EU Commission Vice President Timmermans supported this, provided it doesn't "diminish" the agreement on phasing down coal at COP26 (famously watered down at the 11th hour by India and China).

The Indonesians, despite some significant pressure, leant into the language on coal phase down. The communique holds the line on the Glasgow Climate Pact language, including a commitment to "Accelerating efforts towards the phasedown of unabated coal power" and medium-term phase down of inefficient fuel subsidies.

The First Movers Coalition (FMC) will launch its "FMC Cement & Concrete Commitment" to showcase the emerging global demand for green cement in partnership with the World Economic Forum (WEF) and the Mission Possible Partnership (MPP).

# Summary of COP27.

The aim of the 'Implementation' COP27 was to shift focus of conversations to the continent that will be hit the hardest by climate change, which was made possible through a greater presence and increased participation from MENA countries on their home soil.

Although there were an increasing number of pledges, commitments made, there is a general feeling of anger, restlessness, and frustration with the global political response to climate change, as well as the risk of these being empty promises yet again. How many more reports need to be published to say nations, business and industry are not doing enough?

The last-minute agenda item of loss and damage became saving grace for this COP with the blatant conversations around limiting emissions to 1.5 leaving COP28 to deal with the consequences. It begs the question whether the loss and damage fund was a distraction from the conversation regarding 1.5.

COP27 saw significant progress on adaptation, helping to improve resilience amongst countries most vulnerable to climate change.

The ISO Net Zero Guidelines were launched by Our 2050 World - a collaboration to accelerate the transition to net zero by offering all actors a single core reference text for credible net zero action guidance regarding reducing greenhouse gases and emissions.

The inclusivity and greenwashing at COP27, received mixed views. On the one hand there was a high youth presence at the conference which was great to see as well as an increased level of private sector presence at COP27 but there an obvious lack of small business and their supply chain represented. This presents an enormous opportunity for both CAFA, and the association sector accelerate action from both a sector implementation and policy level prior to COP28.

# About CAFA.

The influence membership organisations have over their sectors, professions, communities and stakeholder groups cannot be underestimated, or overlooked, as an accelerator for change.

At Climate Action for Associations, we believe that membership organisations play a critical role in reaching the worlds net zero targets, **faster.**

**Our Why:** To transition the membership sector, accelerate and multiply climate action in business and industry.

**How:** We help associations across different sectors and professions to take proactive climate action.

**What:** We provide the resources, tools, guidance, dashboard, solutions and peer to peer network to help associations take climate action:

1. Internally; and
2. To proactively support the businesses, industries and professions they represent.

As a global accelerator to the Race to Zero, CAFA encourages all associations to join the Race to Zero either as ambitious Actors, Members or Accelerators.





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