

WHAT HAPPENED AT COP28 – THE UAE CONSENSUS

Following intense negotiations, COP28 has ended in a package deal which is being referred to as the "UAE Consensus". Clifford Chance will hold a [webinar](#) on December 19 outlining what happened at COP28 drawing out key outcomes from the negotiations and the many announcements and commitments made in and around COP28, focussing on implications for businesses. In the meantime, here are some of the highlights of the "UAE Consensus" and other commitments made in and around COP28.

Loss and Damage Fund

The climate disaster "loss and damage fund" which was agreed at COP 27 to support vulnerable communities and developing nations who are disproportionately impacted by climate disasters was operationalised (contributions amount to less than US\$1 billion). The executive secretary of the UN Framework Convention on Climate Change, Simon Stiell, describes it as "an initial downpayment." The UAE and Germany both will contribute US\$100 million to the Fund, making them the largest contributors. In the case of the UAE that was interesting as the UAE was until then considered a developing nation for the purpose of the Loss and Damage Fund (meaning it could in theory draw on the Fund rather than having to contribute).

ALTÉRRRA Fund

In the opening days of COP28, the UAE announced that it would put US\$30 billion into a new climate finance fund, ALTÉRRRA, which aims to improve the flow of money to reduce emissions in the Global South

Fossil fuels

For the first time there is a global agreement on the need to "transition away from fossil fuels in the energy systems in a just orderly and equitable fashion, accelerating action in this critical decade, so as to reach net zero in 2050 in keeping with the science." You can read more [here](#). The agreement does not contain the words "phasing-out" of fossil fuels – which, amongst others, the EU and the Alliance of Small Island States had pushed for. Parties are encouraged to produce economy-wide emission reduction targets covering all greenhouse gases and aligning with limiting global warming to 1.5°C for their next nationally determined contributions.

Clean energy

The [Global Renewables and Energy Efficiency pledge](#) will support the tripling of renewable energy capacity globally and double the global average annual rate of energy efficiency improvements by 2030.

The UAE Consensus also highlights that about US\$4.3 trillion per year needs to be invested in clean energy up until 2030, increasing thereafter to US\$5 trillion per year up until 2050, to be able to reach net zero emissions by 2050.

Adaptation finance

The Global Goal on Adaptation is meant to deliver finance to those countries that suffer the greatest consequences of climate change but are least able to deal with them. Where previously the text "requests developed country parties" to provide developing countries with finance, the final version of the text states that "continuous and enhanced international support" for developing countries is "urgently required." The Global Stocktake warns that adaptation finance needs are estimated at between US\$215 billion and US\$387 billion a year up to 2030.

You can read more here: [Draft decision](#) Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision 7. Draft decision. Proposal by the President.

Paris Agreement Article 6

Nothing was agreed on developing the rulebook to operationalise Articles 6.2 or 6.4 of the Paris Agreement, and this is being left to COP29 which will take place in Azerbaijan in 2024.

Article 6.2 created the basis for countries to trade or exchange domestically generated emissions reductions and removals through bilateral or multilateral agreements, and for the purchasing entity to use them towards their nationally determined contributions (NDCs) or for other mitigation purposes.

Article 6.4 is meant to enable project developers to register their carbon reductions and removals projects under a new UNFCCC project programme (commonly referred to as the "sustainable development mechanism") and sell tradeable carbon credits to public or private sector buyers.

You can read more in the UN [press release](#).

Article 6.8

Whilst no agreement was reached on Article 6.2 or 6.4, there was an agreement on Article 6.8, which enables countries to cooperate in various ways to achieve their NDCs through non-carbon market mechanisms. The agreement sets out the aspiration to develop a UN web-based platform, to be fully operational by June 2024.

Voluntary Carbon Markets initiative

Right at the start of COP28 it was announced that the Carbon Market Integrity Initiative and, on the supply side, by the Integrity Council for Voluntary Carbon Markets would be entering into a new phase of closer collaboration to produce and end-to-end framework to improve integrity and quality in the voluntary carbon market.

Energy and industry

New initiatives related to energy and industry decarbonisation were announced under the scope of the Global Decarbonization Accelerator. One of the elements included the Oil and Gas Decarbonisation Accelerator where oil and gas companies pledge to reduce scope 1 and 2 emissions including methane emissions by 2030.

You can read more in the COP28 [press release](#).

Forest, mangroves and oceans

The UAE Consensus emphasised the importance of reversing deforestation by 2030 strengthened by linking to the Kunming-Montreal Global Biodiversity Framework. 150 businesses, industries and financial institutions announced plans to set Climate and Nature targets and increase investment under the Science-Based Target Network and Science-Based Target International's Forest Land and Agriculture frameworks.

The Freshwater Challenge announced that country members were committed to work to protect and restore 30 percent of the Earth's degraded freshwater ecosystems by 2030.

You can read more in the COP28 [press release](#).

Food security

Under the COP28 UAE Declaration on Agriculture, Food Systems and Climate Action new funding was announced to support food producers and consumers in order to meet the Declaration's ambitions. More than 150 countries will consider food in the new climate strategies.

You can read more in the COP28 [press release](#).

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