



COP28 Update: The Final Stretch

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Negotiations at the UN Climate Summit, COP28, are intensifying, and we are deep into what COP veterans call “the end game”. The flurry of announcements, new pledges and alliances that dominated the opening days have given way to contested debates over language in the closing texts. So where do we stand and what might we expect?

Where does COP28 stand?

The science: 2023 will be the [warmest year](#) ever recorded, with the global average temperature reaching 1.46°C above the 1850-1900 average - just 0.04°C below the 1.5°C limit. New science [published](#) at COP28, drawing on inputs from 200 scientists, warns that the earth is on the verge of five catastrophic climate tipping points, and that three more tipping points may be reached in the 2030s if the world hits the 1.5°C (2.7°F) threshold.

Energy transition: Over 123 countries have so far signed the [pledge](#) to triple renewable energy generation capacity by 2030 and to double the annual rate of energy efficiency improvements to 4% every year until 2030. Additional actions were initiated that focus on transforming energy demand, in particular for carbon and energy-intensive industries.

- The [Industrial Transition Accelerator \(ITA\) for Heavy-Emitting Industries](#), backed by \$30 million from Bloomberg Philanthropies and the COP Presidency, will concentrate on decarbonization solutions across industry, transport and high-emitting sectors that generate a third of global emissions. The ITA will address the challenges that are holding up existing projects from reaching financial investment decisions in the next 2-3 years to ensure they can go live by 2030.
- The Breakthrough Agenda, a coalition of governments representing 60% of GDP, [launched](#) a new wave of breakthrough partnerships between advanced and emerging economies. They are designed to scale demand for low-carbon industrial products, create standards to facilitate international trade, and turbocharge technical and financial assistance for industrial transformation in developing countries.
- The Netherlands launched a coalition of 13 countries that committed to publish an inventory of their fossil fuel subsidies within one year and to create a strategy for eliminating such subsidies. The other countries are Canada, France, Spain, Ireland, Denmark, Finland, Austria, Belgium, Luxembourg, Costa Rica, Antigua, and Barbuda. Earlier this year, the International Monetary Fund (IMF) calculated that the world’s governments spent a record total of \$7 trillion on fossil fuel subsidies in 2022.
- 50 oil and gas companies, representing more than 40% of global oil production, joined the [Oil and Gas Decarbonization Charter](#), committing to net zero operations by 2050, ending routine flaring by 2030, and near-zero upstream methane emissions. The [UN Secretary-General](#) criticized this initiative for failing to cover scope 3 emissions and capital expenditure. [Only 15% of emissions from oil & gas come from the production phase](#), scope 1 and 2 emissions, but the majority comes from the combustion of oil & gas, which counts as scope 3 emissions for oil & gas companies.



Nature and food: COP28 spurred a set of actions by governments, businesses, and financial institutions to transform food systems and to protect and restore natural ecosystems across forests, mangroves, oceans, and coral reefs.

- Finance: Over \$2.6 billion has so far been mobilized to conserve vital natural sinks, fund ocean-climate solutions, and finance climate-nature projects.
- Private sector is centre stage: 200 businesses and financial institutions took concrete action to set climate and nature targets under the Science-Based Target Network and Science-Based Target International's Forest Land and Agriculture frameworks.
- Governments are sending positive signals: 134 countries have so far committed to the Emirates Declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action. This means they will embed food in their NDCs and will report back on this next year, marking the first-ever declaration on food systems.
- Connecting the COPs: A new agreement aims to strengthen the coordination between the climate and biodiversity COPs, through the 'COP28 UAE Joint Statement on Climate, Nature and People'.

Finance: COP28 saw renewed momentum on scaling private finance for climate solutions in developing countries, carbon-intensive sectors, as well as creating credible carbon markets.

- A major new [report](#) sets out how to mobilize the \$2.4 trillion needed by emerging and developing economies for climate solutions by 2030. This is a fourfold increase from current levels with a fifteenfold increase in private finance also required.
- A new UAE-led \$30 billion [Climate Fund](#), launched in partnership with BlackRock, Brookfield, and TPG, aims to invest \$250 billion by the end of the decade with a focus on less-developed economies.
- According to the GFANZ [progress report](#), over 675 financial institutions from 50 countries are now committed to aligning their financed emissions with 1.5°C, with more than 100 financial institutions joining sector-specific alliances this year. In addition to this, about 250 financial institutions are expected to publish their transition plans in the next year.
- Voluntary carbon markets [received](#) a push, with banks, regulators, and standard setters throwing their weight behind efforts to revive the global trade in carbon credits, challenged by allegations of a lack of credibility.

Looking ahead

While the above announcements, commitments, and pledges are substantial, they cannot substitute for a rapid reduction of greenhouse gas emissions from fossil fuels. This is why the focus for the remaining days is now on securing an ambitious outcome for the Global Stocktake (GST). Late on Friday, a new GST text was published with all options still on the table – a new version of the text is expected today.

The centerpiece text (known as the 'cover text'), which summarizes the key decisions, remains in flux. Multiple versions of key decisions are being hammered out, and every paragraph still comes with a "no text" option.

The phase-out of fossil fuels remains the most contentious flashpoint in the negotiations. There are five options for a stance on the phase-out of fossil fuels:

1. Phase out all fossil fuels in line with the science
2. Phase out all fossil fuels in line with the science, 1.5°C, and the Paris principles
3. Phase out all "unabated" fossil fuels, peak fossil fuel consumption before 2030, and create a "predominantly" fossil fuel-free energy sector by 2050
4. Phase out all "unabated" fossil fuels and net-zero CO₂ emissions by 2050
5. No agreement



Leaked documents from OPEC sparked controversy, with the group lobbying for member states to reject any language that discusses fossil fuels specifically, rather than emissions. More positively, there are signs of strong language on 'loss and damage' – finance to help developing countries cope with the cost of climate-related damages.

Lastly, the delegates have agreed that next year's COP29 will be held in Baku, Azerbaijan.

To continue the conversation:



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