



COP27 uncovered

What's next for climate change

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COP27

Introduction

COP27 Progress and Global Finance

The Conference of the Parties (COP27) was another stark reminder to us all that global financial players continue to be the gatekeepers for green transformation and sustainable investment. This is reflected in how we perceive risk - moving beyond traditional credit risk, competition, and market factors - to Environmental, Social and Governance (ESG) risks, including operational matters, compliance, and cyber threats. In particular, the financial world has a vital role in implementing the decisions taken at COP27 in Sharm el Sheikh, as well as in identifying and managing non-financial risks and maximising their opportunities. Risk management is not about eliminating every risk but identifying and responding to those risks that create value for a company and its shareholders.

After COP27, the challenge for companies will continue to be understanding how to address non-financial risks and what they mean for the organisation and business. Specifically, companies need to take a comprehensive approach to risk management, considering the interconnectedness of distinct categories of risks. Finance professionals can provide insights and advice on how to adapt these aspects to a company's strategy and apply them to their reporting and disclosures.

At COP27, the number of companies signing up to the Glasgow Financial Alliance for Net Zero (GFANZ) initiative increased from 450 financial institutions to 550 from over 45 countries. Established during COP26, GFANZ now has total capital of more than US\$150tn, with the aim to transform the global economy to net zero. Our findings were that the capital in question should be monitored via corporate reporting at a level that provides us with "reasonable assurance" as to its accuracy.

The International Sustainability Standards Board (ISSB)

The ISSB's goal of providing better information for better economic and investment decisions continues to be developed in response to requests from international stakeholders. Since the ISSB was established at COP26 in Glasgow, the International Financial Reporting Standards (IFRS) Foundation has met its commitment to consolidate the voluntary reporting system and to consult stakeholders on the standards that form the global basis for sustainability-related financial disclosures. This was originally discussed during the Kyoto Protocol 20 years ago but only developed now.

On COP27 Finance Day, ISSB President Emmanuel Faber took to the stage to share the details of the new partnership framework with more than 20 partner organisations, as well as detailing the ISSB Global Core architecture requirements. Since the final standards are likely to be published as early as 2023, we note that the ISSB has turned its attention away from development to preparing to apply them.

The Struggle against Greenwashing

For climate reporting to move beyond being a marketing exercise, the financial community needs to be involved in providing the information that institutions and investors need to decarbonise. The skills and abilities of accountants are critical in ensuring that companies' sustainability statements are authentic and dependable. Audit firms have a significant role to play in combating and minimising greenwashing. Climate scenario analysis and risk assessment are potentially complex areas that require specialist auditing and accountancy skills. Without accurate measurement of risks and opportunities, companies will find it difficult to assess financial impacts and compare climate change with other corporate risks. This will leave investors unable to make informed decisions on capital allocation. As members of the financial community committed to better climate reporting, we must play our part to turn risks and opportunities into tangible results.



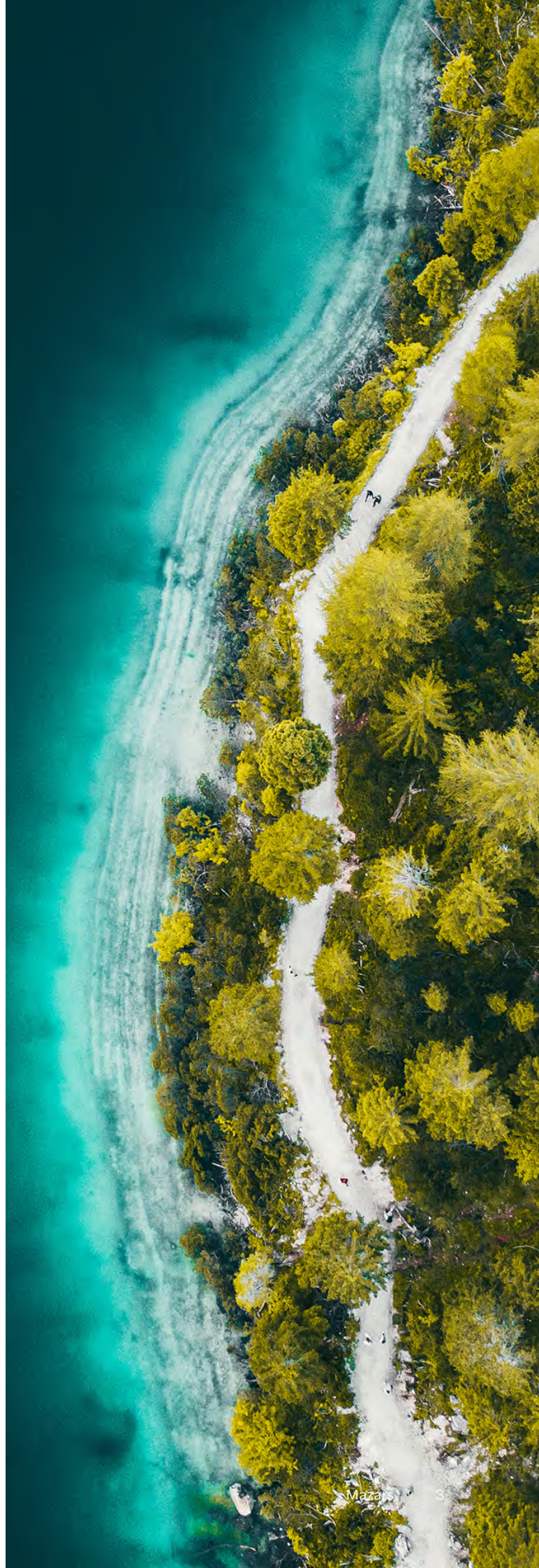
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Executive summary

At COP26 in Glasgow last year, governments had agreed to accelerate climate action, but progress on targets was mixed due to ongoing global crises. In comparison, considerable progress was made at COP27, and some key issues that were included or not included in the decision text are as follows:

- The goal of limiting global warming to 1.5°C was kept in the resolution text. However, current emission mitigation plans are insufficient to meet this target.
- New financing arrangements for loss and damage were agreed and a decision was made to create a special fund.
- The text of the resolution called on the shareholders of multilateral development banks to scale up and improve climate finance.
- Reference was not made to the requirement to reach peak emissions within the next ten years in the text of the resolution.
- The decision reached in Glasgow to phase out coal remained unchanged, but this decision does not cover other fossil fuels.
- It was decided to develop a 'framework' for the Global Goal on Adaptation, but there is no clarity around this roadmap.
- Strong outcomes to reduce emissions are not yet on the table.
- Developed countries were not successful yet again in collectively financing US\$100bn.

The establishment of the Loss and Damage Fund must be considered the most successful outcome of COP27. But this alone will not be enough. Funding needs to be channelled for “adaptation and resilience” against the impacts of climate change. Also, emission mitigation targets should be rapidly strengthened and implemented so as not to exacerbate the devastating effects of disasters already experienced. For this, the responsibility falls on everyone; governments, the business world, civil society, producers and consumers.



What is a COP?

Just as the Board of Directors is the main decision-making committee of a company, the main decision-making committees for international environmental agreements are called COPs. COP stands for 'Conference of the Parties.' All parties to the United Nations Framework Convention on Climate Change (UNFCCC) come together for a conference to discuss and take decisions on the articles and implementation of the agreement through bilateral and multilateral negotiations and unilateral declarations.

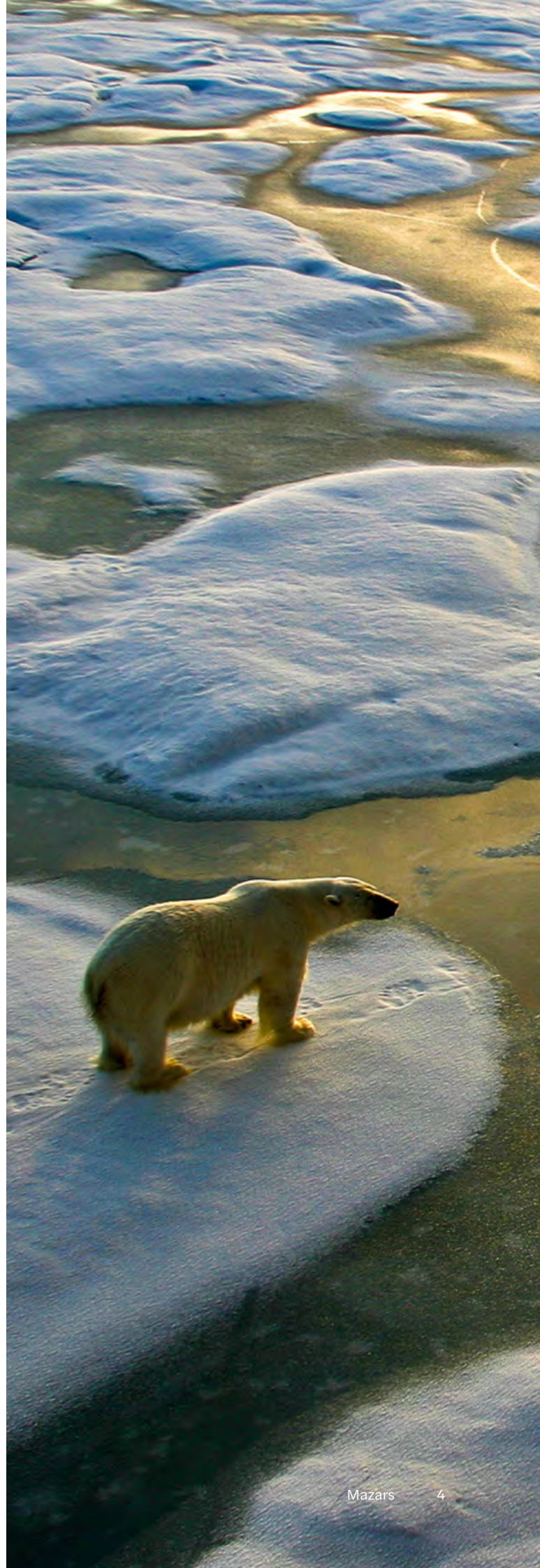
Following the Rio Conference in 1992, the UNFCCC emerged, and in 1995 the first COP climate summit was held in Berlin (COP1).

At COP3 in 1997 the Kyoto Protocol was adopted, entering into force in 2005. Kyoto imposed obligations on signatory countries to limit and mitigate greenhouse gas emissions.

At COP15 in Copenhagen in 2009, developed countries pledged to spend US\$100bn annually by 2020 to help developing countries deal with climate action and disasters. This pledge emerged again as an issue at the COP21 in Paris, extending the deadline until 2025.

The 2015 COP21 was marked by the Paris Agreement, which aimed to keep global warming at 1.5°C -2°C by the end of the century.

At Glasgow's COP26 in 2021, the signatory countries presented their updated and developed emission mitigation plans. Emission mitigation plans are decisive in ensuring that the goal of limiting global warming to 1.5°C by the end of the century is achieved.



About COP27

COP27, held between 6-18 November 2022 at Egypt's Sharm-el Sheikh resort, was the 27th climate summit. Important discussions and decisions were expected to be taken; to try to mitigate the devastating effects of global warming, and to combat the climate crisis. World leaders, government representatives, tens of thousands of negotiators, businesses and citizens came to Egypt for twelve days of talks. The conference was a joint meeting for the countries that are parties to the United Nations Framework Convention on Climate Change (UNFCCC).

The following headline issues were due to be discussed at COP27:

- Reducing emissions
- Helping countries adapt to climate change
- Offering technical support and financing to meet developing countries' needs

Five years after the Paris Agreement was signed at COP21, COP26 gave us the Glasgow Climate Pact, keeping alive the goal of reducing global warming to 1.5°C. However, as the British Presidency of COP26

commented, the result was marred by “a weak pulse”. At COP26, countries agreed to make stronger commitments for the following year, including updated national plans with more ambitious goals.

Thus, COP27 was supposed to drive the “implementation” of previous promises and commitments made during the negotiations. Egypt called for action on an inclusive and broad scale. The leading topic discussed in Sharm el Sheikh was the commitment by developed countries to provide US\$100bn in financing annually to lower-income countries and those experiencing the worst of the climate crisis, to help cope with its consequences. The talks also included technical discussions on how countries should measure their emissions.

Branded the “African COP” because it was held in Egypt on a continent which continues to be particularly affected by climate disasters, the expectation was that the issues discussed would reflect the sensitivities of the region and its developing countries. Today, 17 million people in East Africa face food insecurity linked to the climate crisis.



COP27's five important outcomes

Though the negotiations should have been concluded on Friday 18 November, the talks were extended until Sunday due to disagreements over funding. The dual issues of Ukraine and rising global inflation distracted international attention. Led by India, countries drew attention to the fact that the final agreement needed to reduce the use of all fossil fuels instead of just coal. Fossil fuel-rich countries in Africa did not warm to this suggestion.

1. The biggest win at COP27 was the Loss and Damage Fund

In the lead-up to COP27, developed countries presented solutions with alternatives such as insurance and early warning systems. But developing and vulnerable countries were determined to win a new fund for their loss and damage. During the last few days of the summit, the establishment of a Loss and Damage Fund was approved by consensus of all parties after the EU stepped forward to agree, followed by the US and China. This decision went down in history as the biggest win of COP27. However, the controversial details of who should pay for and who will benefit from the fund were left to next year's COP28. The delegates welcomed this climate justice breakthrough on the basis that the carbon emissions of wealthier countries have contributed to the disasters that the least wealthy nations are now facing.

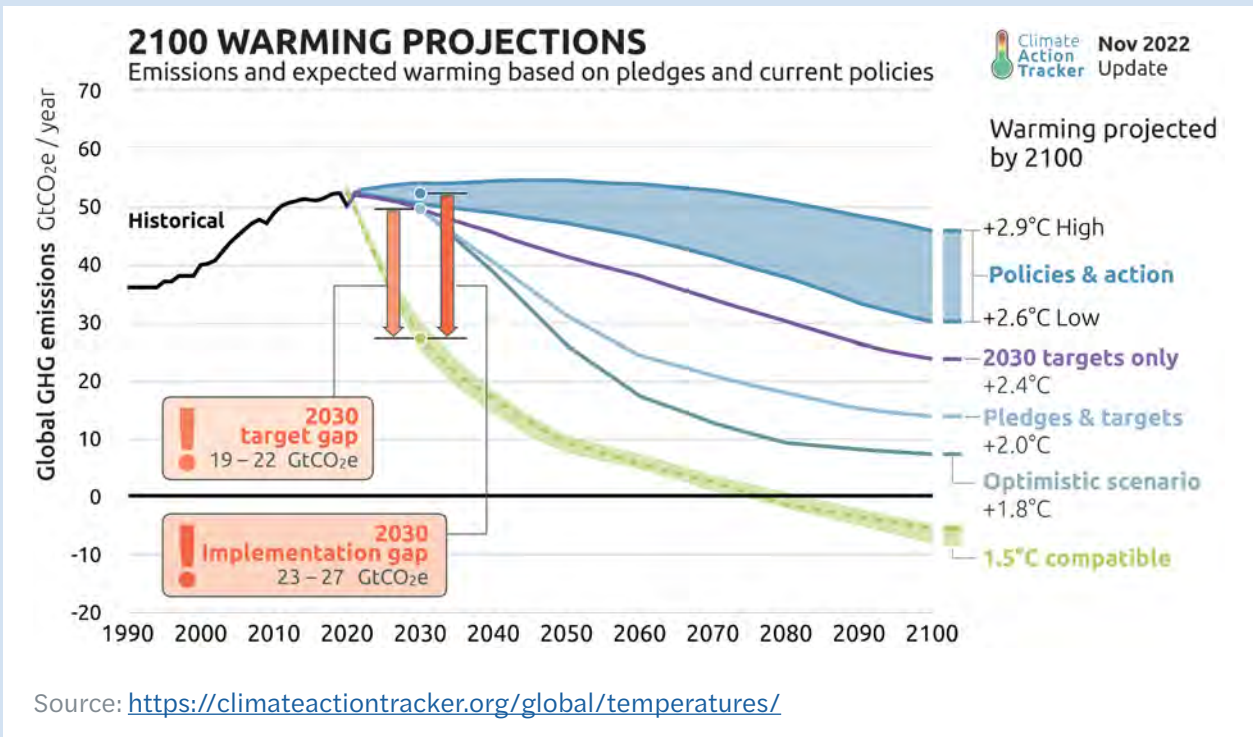


COP27's five important outcomes

2. Mitigation and 1.5 degree target

To limit global warming to 1.5°C by the end of the century, we need to mitigate emissions by 45% by 2030. Current global policies are estimated to lead to warming of about 2.7°C above pre-industrial levels by the end of the century. Even if successfully implemented, the latest round of Nationally Determined Contributions (NDCs) commitments will only limit warming to 2.4°C. To hit the 1.5°C target, countries need to incorporate binding, long-term net zero targets into their climate action policies. According to the text of the decision from COP27, 1.5°C is still the official target, but the announced emission mitigation plans are not enough to reach it.

Thanks largely to the latest global fuel crisis, the discussions have only achieved an outcome where Parties agreed not to backtrack on the current target instead of increasing efforts to hit the target. Failure to agree on phasing out fossil fuels puts the 1.5°C target at considerable risk. COP26 President Alok Sharma spoke about the stress of keeping to commitments agreed upon last year and around countries attacking their achievements, stating, "We had to work tirelessly to maintain the lines we had drawn. We have struggled to add to Glasgow's wins." Delegates were disappointed with the delayed steps on mitigation and by the presence of lobbyists blocking a phased exit from fossil fuels. Jennifer Morgan, Germany's Special Envoy for Climate, explained why they agreed to the final version of the agreement despite the absence of a clause for stricter emission reductions in the agreement, noting that they "...wanted to be on the side of the most vulnerable countries."



COP27's five important outcomes

3. Adaptation and resilience

Last year, we witnessed the disasters caused by climate change in our daily news feed from every corner of the globe. Unfortunately, as global warming continues to rise, disasters will continue to increase exponentially. Countries that are particularly vulnerable to the effects of climate change must build resilience, developing tools to adapt and cope.

Experts warn that mitigation targets alone will not be enough to combat climate change. The issue of adaptation has thus disconnected from loss and damage to become a key consideration. COP27 called on governments and the business community to adapt and avoid the cost of inaction. The development of a framework for monitoring progress on global adaptation measures and doubling the funding for adaptation was agreed in the final text of the COP27 conference.

4. Energy transition and fossil fuels

The demands of India and other countries that the COP27 final text include a phased reduction of the use of “all fossil fuels” were not met. Instead, it called on countries to take further steps to “phase out any coal power that lacks carbon sequestration technology and inefficient fossil fuel subsidies”. In short, the text did not move beyond the COP26 rhetoric of phasing out coal. The text of the COP27 agreement also refers to “energy with low carbon emissions”, i.e. natural gas. The concern is that this will lead to increased use of natural gas, which emits both carbon dioxide and methane. The export of green hydrogen was highlighted as an opportunity for some developing countries as a pathway to decarbonise. However, the pipelines have yet to be developed.

At COP27, countries agreed that a “fair and equal energy transition” should be based on national development priorities. This should include social protection and solidarity measures, such as providing retraining programmes and support for coal workers affected by the transition. Another key decision taken was to create a work programme founded on a just transition to include an annual round table meeting at ministerial level as part of this process.

Sheikh Mohammed bin Zayed al-Nahyan, the leader of the United Arab Emirates, which will host next year's COP28 climate summit, said his country would continue to provide oil and gas “as long as the world needs it.”

Maldives Climate Minister Aminath Shauna said,
“I appreciate the progress we have made at COP27. However, we have failed at mitigation. We need to phase out fossil fuels.”

5. Climate finance

Developed countries made more commitments on climate finance at COP27, including multilateral agreements for loss and damage, adaptation and coal transition. Still, they have yet to deliver on promises to provide US\$100bn annually for vulnerable and developing countries. Plus, there is still a serious funding gap as only c.10% of the US\$410-560bn financing commitments were met in 2020.

As the need to fund climate adaptation moves to centre stage, there is growing pressure to reform global financial institutions, such as the World Bank and IMF, to respond to the climate crisis. The idea that public funding should be deployed in a way that complements and paves the way for private financing has gained traction. As public scrutiny increases and recommendations for net zero commitments become more stringent, implementing plans will require significant transitions.



COP27 themes

Climate finance: investing in the future

The climate finance issue attracts more attention with each passing year. Climate finance needs to be deployed to adapt to climate change, cover loss and damage caused by natural disasters in vulnerable countries and to mitigate emissions to keep global warming below 1.5°C. It is imperative that governments, financial institutions, companies, and investors act now.

The official establishment of the Loss and Damage Fund was a first at COP27. It took two weeks of negotiations as the US and other countries had reservations about the fund due to concerns about assuming liability for their historical emission responsibilities. While the fund was established, the details of who will contribute to this fund and which countries will benefit have been left to next year's COP28.

The UK announced that they would defer debt held on countries affected by climate-related disasters.

US Climate Envoy John Kerry announced a carbon offset plan to help developing countries move away from coal and accelerate their transition to renewable energy. The "voluntary carbon credit" programme or Energy Transformation Accelerator will be used to finance the energy transition. However, environmentalists and scientists have raised concerns that this may delay companies' efforts to mitigate emissions.

Italy, UK and Sweden were among the donors giving more than US\$350m to finance nature-based solutions to the climate crisis in countries like Egypt, Fiji, Kenya, and Malawi.

France and Germany have signed loan agreements to provide concessional financing worth €300m to support South Africa's transition away from coal-based energy.

According to a report prepared by the UK and Egyptian governments and presented at COP27, the least wealthy countries will need US\$2tn a year to exit fossil fuels, invest in renewable energy and other low-carbon technologies, and cope with the effects of extreme weather.

The GFANZ has published cross-industry guidance for net zero transition planning by financial institutions such as banks, asset owners, asset managers, insurers, and other similar service providers.

COP27 themes

Science: using research to inform change

We have witnessed and continue to witness important scientific reports on climate change by the Intergovernmental Panel on Climate Change (IPCC), the United Nations Environment Programme (UNEP), and other institutions. Global action to combat climate change must be based on the results of these reports and the scientific recommendations of these institutions.

Every year, leading scientists from around the world review the most pressing research findings on climate change. The '10 New Insights in Climate Science' report published at this year's COP questions the myth of endless adaption. No matter how hard we try, we may be unable to adapt to climate change's devastating effects. This means that adaptation cannot replace emission mitigation targets. Therefore, we must urgently strengthen and implement emission mitigation efforts. In addition, it's clear that countries' contribution to the Loss and Damage Fund cannot be a mitigating reason for not acting on emissions.

Former US Vice President Al Gore announced the Climate TRACE initiative. The tool, which measures plant-level greenhouse gas emissions at more than 70,000 locations worldwide, will help prevent emitters from greenwashing.

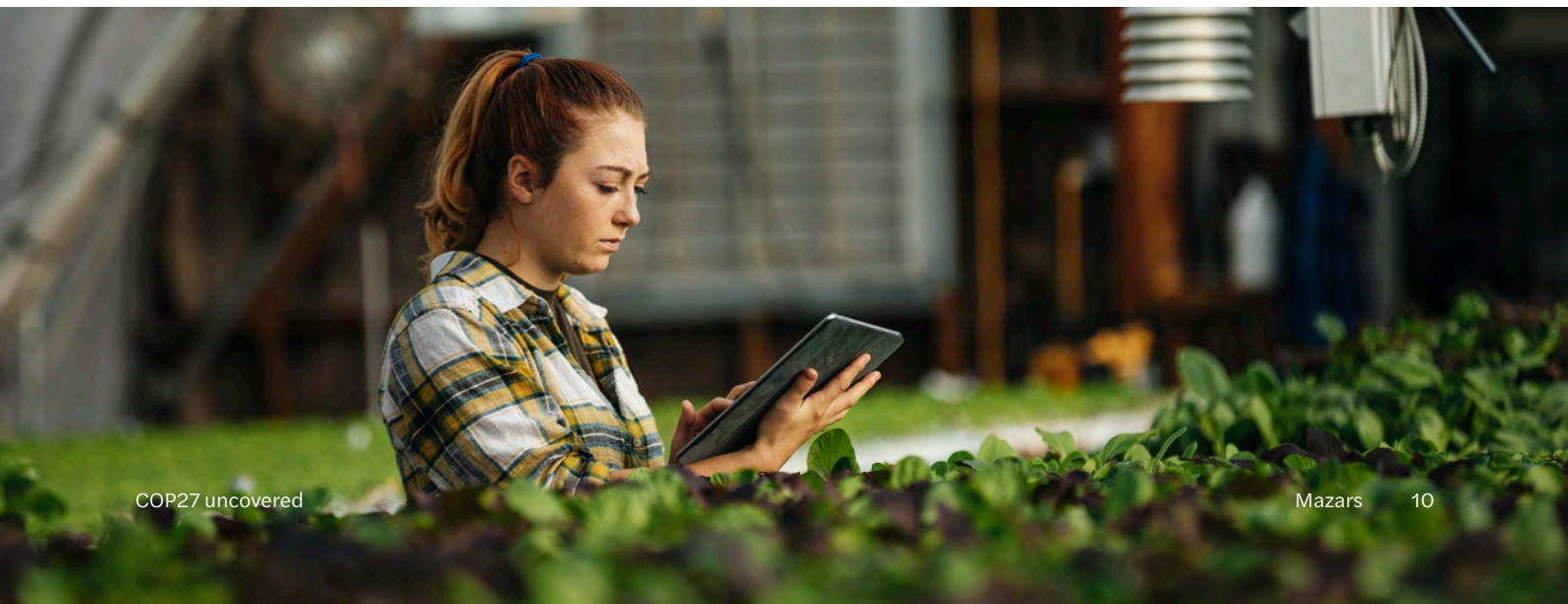
Future generations: giving young people a say in their future

Young people and children were given an official space at a COP summit for the first time. The Youth and Children's Pavilion, inaugurated at COP27, is a platform where young people can organise discussions and make their voices heard. Given how young activists like Vanessa Nakate and Greta Thunberg have led the climate movement in recent years, is this too little too late?

As well as the first Climate Forum organised by young people at COP27, other new initiatives such as YOUNGO issued a declaration that underscores the fundamental problems of global climate change: a historic document in which young people state their demands.

In activities that took place throughout the day, the effects of climate change, extreme weather events, toxic chemicals, eco-anxiety issues and the importance of climate education in strengthening the resilience of children and communities were discussed. Across sessions, young people drew attention to the relationship between climate change and human rights and the need to include young people's thoughts and suggestions in studies such as NDCs and Global Inventories.

They called on all parties participating in COP27 to support the integration of the Youth and Children's Pavilion at future climate conferences, to protect the environmental rights of young people and children, and to sign the UNICEF Declaration on Children, Youth and Climate Action. Leaders were invited to bear responsibility and take action to strengthen involvement and take note of solutions provided by young people and allow them a voice in decision-making mechanisms.



COP27 themes

Decarbonising: accelerating the reduction of emissions

The best protection from the devastating effects of long-term climate change is to decrease the carbon intensity in the atmosphere by reducing greenhouse gas emissions. To this end, countries and companies have net zero commitments, and governments continue to disclose NDCs. Though we need to mitigate emissions by 30-45% by 2030, we have only managed a 1% reduction over the past year.

At the opening session of Decarbonisation Day, John Kerry stressed the need for urgent action to mitigate the emissions of “carbon-intensive” sectors. Throughout the day, negotiations continued the decarbonisation for the steel, petroleum, fertilizer and cement industries and on progressing the Global Methane Commitment.

At COP26 in Glasgow, countries that represent more than half of global GDP, spearheaded by the UK and the US, launched the Breakthrough Agenda. The Breakthrough Agenda is an initiative to accelerate decarbonisation in the five key sectors of energy, road transport, steel, hydrogen, and agriculture and aims to facilitate access to cheaper and more accessible clean technologies. This initiative comprised 25 joint actions spread out over a 12-month period.

In 2018, fashion industry leaders created The Fashion Industry Charter for Climate Action with a vision to achieve net zero emissions by 2050. At COP27, the focus was also on the decarbonisation of the fashion industry, which is responsible for between 18% and 20% of global greenhouse gas emissions.

According to its NDC, the EU had aimed to reduce its emissions by 55% by 2030. At COP27, the EU led the way with a strengthened resolution to reduce emissions by 57%, thereby achieving net zero by 2050.



COP27 themes

Agriculture: future-proofing food systems

Adapting and becoming resilient against climate change is vital for all countries, especially developing ones. The IPCC report highlights the devastating impact that countries around the world are facing and points out our failures in dealing with current climate effects and that we are not prepared for increasingly severe weather events.

The COP27 Presidency and the Food and Agriculture Organization (FAO) launched the Food Agriculture for Sustainable Transformation initiative (FAST) at COP27. The initiative aims to increase climate financing for agriculture and food systems to support vulnerable communities.

According to a report discussed at COP27, “sustainable perishable cold chains” could be a solution to addressing climate and food crises globally. This technique can help reduce food loss, improve food security, create jobs, and reduce poverty.

During the negotiations, it was highlighted that while the agriculture and food sector is seriously affected by climate change, at the same time, agri-food systems contribute to about a third of global greenhouse gas emissions from production to consumption.

According to statistics, the number of people struggling with hunger globally has reached 828 million in 2021. This figure is 46 million more than the previous year.

A different statistic shows that small-scale farmers in developing countries produce about a third of the food produced in the world. But despite having to cope with droughts, floods, hurricanes, and other disasters, they receive only 1.7% of climate finance.

COP27 President H.E. Sameh Shoukry said, “In a situation where 43 million people go hungry every year, this is a wake-up call. Initiatives like FAST are critical in today’s world, where geopolitical shifts and extreme weather events are harming the world’s poorest, exacerbating hunger and malnutrition, and causing major disruptions to food supply chains.”



COP27 themes

Gender equality: responding to climate change

Women and girls are strong and effective leaders in the fight against climate change, but the lack of adequate training and access to technology means they need help in adapting to the impacts of climate change. At the same time, they are disproportionately impacted by it. When their homes are affected by a climate disaster, they face greater economic hardship as the burden of taking care of home and family falls on them.

A new report published by civil society think tanks highlights the devastating consequences that loss and damage caused by climate impact have on women and girls, including the increased risk of domestic violence.

The African Women's Climate Adaptive Priorities (AWCAP) initiative was launched by Dr Maya Morsy, President of the Egyptian National Council of Women. The initiative aims to provide meaningful financial and emotional support to women affected by transition processes using gender-sensitive social protection methods.

Climate action: promoting a civil society

Civil society members advocate the reduction and termination of fossil fuels. They believe that this issue is not just about the climate; it is about the destruction of nature and people's health and the displacement and impoverishment of communities.

Civil society's voice at COP27 was heard loudly, especially in support of abolishing the production and use of fossil fuels. While a record number of fossil fuel lobbyists were present at COP27, civil society and climate activists argued they should not be admitted to the conference. They suggested that "Just as tobacco manufacturers cannot find a place for themselves at health conferences, there is no place for fossil fuel lobbyists at these climate conferences."

In addition, Urgewald, a non-profit environmental and human rights organisation, together with 50 other NGO partners, published the Global Oil & Gas Exit List, representing 901 companies that account for 95% of the world's oil and gas production, according to a publicly available data set. The report revealed that 96% of the oil and gas industry continues to grow. Despite this, financial institutions and banks continue to invest in this sector, even if they have signed "net zero" commitments.

Water: protecting against natural disasters and loss

About 40% of the world's population is affected by water scarcity. Eighty per cent of wastewater is released back into the environment without treatment, and more than 70% of natural disasters are related to water.

The Action for Water Adaptation and Resilience initiative (AWARe) was launched jointly under the aegis of the COP27 Presidency and the World Meteorological Organization (WMO). Aimed at aiding the most vulnerable communities and ecosystems in Africa, the programme will reduce water loss. In addition, it will propose and implement policy methods for adaptation and encourage cooperation.

On Water Day, African success stories were presented, highlighting how water systems have been successfully adapted in the face of severe climate change. Techniques such as smart irrigation, flood and overflow protection, and rainwater harvesting were discussed.

Dutch Water Ambassador Henk Ovink said, "It's now or never! Whether it is energy, food security, health, economy or international cooperation, the theme of water is always part of the discussion. When it comes to water, we need to change our behaviour, attitudes, actions, governance, and the way we organise!"

COP27 themes

Energy: reducing the reliance on fossil fuels

Discussions on Energy Day focused on the role that renewable energy sources, smart grids, energy efficiency and energy storage can play in developing and transforming the energy sector for a just energy transition. According to the International Renewable Energy Agency (IRENA), while 29% of global electricity generation today comes from renewable sources, carbon emissions continue their upward trend.

The energy sector, responsible for more than two-thirds of global greenhouse gas emissions, is powered by fossil fuels. Though this supplies the world with electricity and transportation, it is causing climate-related loss and damage to vulnerable communities and ecosystems.

The Ukrainian crisis has revealed that energy systems are too dependent on fossil fuels. Eighty per cent of global energy is still reliant on fossil fuels and governments worldwide are now searching for energy independence. However, it is still unclear whether this transition will be of the necessary speed and size to achieve the goals of the Paris Agreement.

The IPCC reports made it clear that to achieve the 1.5°C scenario, there must be “advanced” reductions in coal use, “moderate” reductions in oil use and “modest” reductions in natural gas use in the short term.

The UN climate chief noted that South Africa announced a multi-million dollar plan to switch from coal to green energy, interpreting this moment as a significant development in the global history of abandoning fossil fuels.

At the G20 summit in Bali, which took place as COP27 was ending, the US and Japan, led by a coalition of countries, announced they would make significant investments of at least USD20bn to reduce Indonesia’s dependence on coal and promote renewable energy in south-east Asia. According to statistics, Indonesia is one of the world’s largest consumers of coal and the fifth-largest emitter of greenhouse gases in the world.

Natural gas producers and their financial backers saw COP27 as an opportunity for discussions on natural gas being viewed as a transition fuel. However, science proves that if we want to maintain the 1.5°C target, natural gas, like all fossil fuels, must be reduced and terminated.

According to statistics, a record number of fossil fuel lobbyists were present at the COP this year. There were more than 600 registered lobbyists, an increase of more than 25% compared to last year. This number is only second to the United Arab Emirates, which attended with 1,070 delegates.

The Global Carbon Project (GCP) estimates that carbon emissions from fossil fuels are set to reach record levels this year. The finding stands in grim contrast to the need to cut emissions by half by 2030 to limit global warming to 1.5°C and avoid the most devastating effects of the climate crisis. The analysis shows that CO2 from fossil fuels will increase by 1% to 36.6bn tonnes, the highest level ever. It was noted that the recovery of international aviation after the pandemic is the largest contribution to the increase in fossil fuel use.

African Development Bank President Akinwumi Adesina commented that, “in order to provide electricity to 600 million people without access to electricity in Africa, we must have natural gas as well as renewables.” He noted that even if Africa increased its natural gas production to three times current levels, its contribution to global emissions would only increase by 0.67%. Africa needs natural gas to balance electricity supply, given the intermittent nature of renewables.



COP27 themes

Biodiversity: protecting the natural world

Scientists are warning that the sixth mass extinction of life on Earth is underway, and one million species are in danger of extinction. UNEP explained that the loss of biodiversity has an impact on regional and global climate change. Investing in nature, forests and coral reefs contributes to climate change mitigation and adaptation goals by protecting us from natural disasters and storing carbon.

On Biodiversity Day, the COP27 Presidency launched the Enhancing Nature-based Solutions (NbS) for Climate Transformation initiative with the aim of securing healthy natural ecosystems on up to 2.4bn hectares through restoration, conservation, and sustainability. The initiative also aims to increase the protection and resilience of one billion vulnerable people by leveraging nature-based solutions.

Ministers from about 30 countries met in Sharm el-Sheikh to discuss the draft nature agreement, known as the “post-2020 biodiversity framework,” at a side event jointly organised by Canada and China. Governments discussed the sticking points in the negotiations, including financial support for the deal. David Cooper, Vice President of the UN Convention on Biological Diversity, said, “Climate change is one of the biggest drivers of biodiversity loss.”

Two weeks after the COP27 climate summit, a COP15 Biodiversity Conference was held in Montreal, Canada, between 7-19 December, with the aim of negotiating the next decade’s goals for preventing biodiversity loss. The architects of the Paris Agreement have urged world leaders attending the COP15 Biodiversity Conference to reach an agreement, warning that limiting global warming to 1.5°C without protecting and restoring ecosystems is impossible.

Brazil’s new President-elect, Luiz Inácio Lula da Silva, told the world at COP27 that “Brazil is back” and promised to undo the environmental destruction witnessed under Jair Bolsonaro and to initiate a zero deforestation policy in the Amazon Rainforest. Lula announced that his administration would go further than ever before on the environment, preventing illegal gold mining, logging, and agricultural expansion. Most importantly, he promised to restore climate-critical ecosystems.

Glossary of terms

1.5°C and 2°C targets: Signatories to the Paris Agreement agreed to keep global temperature increases to within 2°C by the end of this century and to fix the target at 1.5°C, but current commitments are not sufficient to meet the 1.5°C target.

Adaptation: The countries most affected by climate change are developing and underdeveloped countries. On the other hand, the share of these countries in the emission of greenhouse gases is tiny compared to that of developed countries. So, investing in adaptation is important to reduce the impact on countries suffering from the worst effects of climate change such as floods, fires, droughts, and heat waves.

Mitigation: The fundamental solution in the long-term struggle with climate change is mitigation. Countries must set high targets in their NDCs and achieve them, particularly regarding enabling net zero targets for emission-intensive sectors. The vital impact of mitigation is also a key component of the Paris Climate Agreement.

Climate Action Tracker: This is an independent scientific analysis produced by two research organisations that have been monitoring climate action since 2009. It monitors progress towards the globally accepted goal of keeping warming well below 2°C and continues efforts to limit warming to 1.5°C.

COP: “Conference of the Parties.” Every year since 1994, parties have met to discuss the effects of the climate crisis and how to combat it. The parties include more than 190 countries that have signed the UN Framework Convention on Climate Change together with the European Union.

IPCC: The Intergovernmental Panel on Climate Change is a panel that advises decision-makers on climate change and climate change adaptation issues considering scientific data. The panel is formed of scientists and government representatives.

Climate justice: Climate justice is a term that recognises that climate change can have various negative social and economic effects on underprivileged populations. Every country is affected by climate change but at a different rate. In this context, while developed countries may be less affected and take measures more quickly, it is a matter of survival for the least wealthy countries. In addition, diverse groups within each country are also disproportionately affected by climate change. For example, women suffer more from climate change. Climate justice advocates strive to address these inequalities through long-term mitigation and adaptation strategies.

Carbon emissions: Carbon emissions refer to the emission of carbon dioxide, one of the main greenhouse gases, into the atmosphere. The increase in the use of fossil fuels since the industrial revolution is related to the rise in carbon dioxide levels in the atmosphere and, consequently, to the rapid increase in global warming.



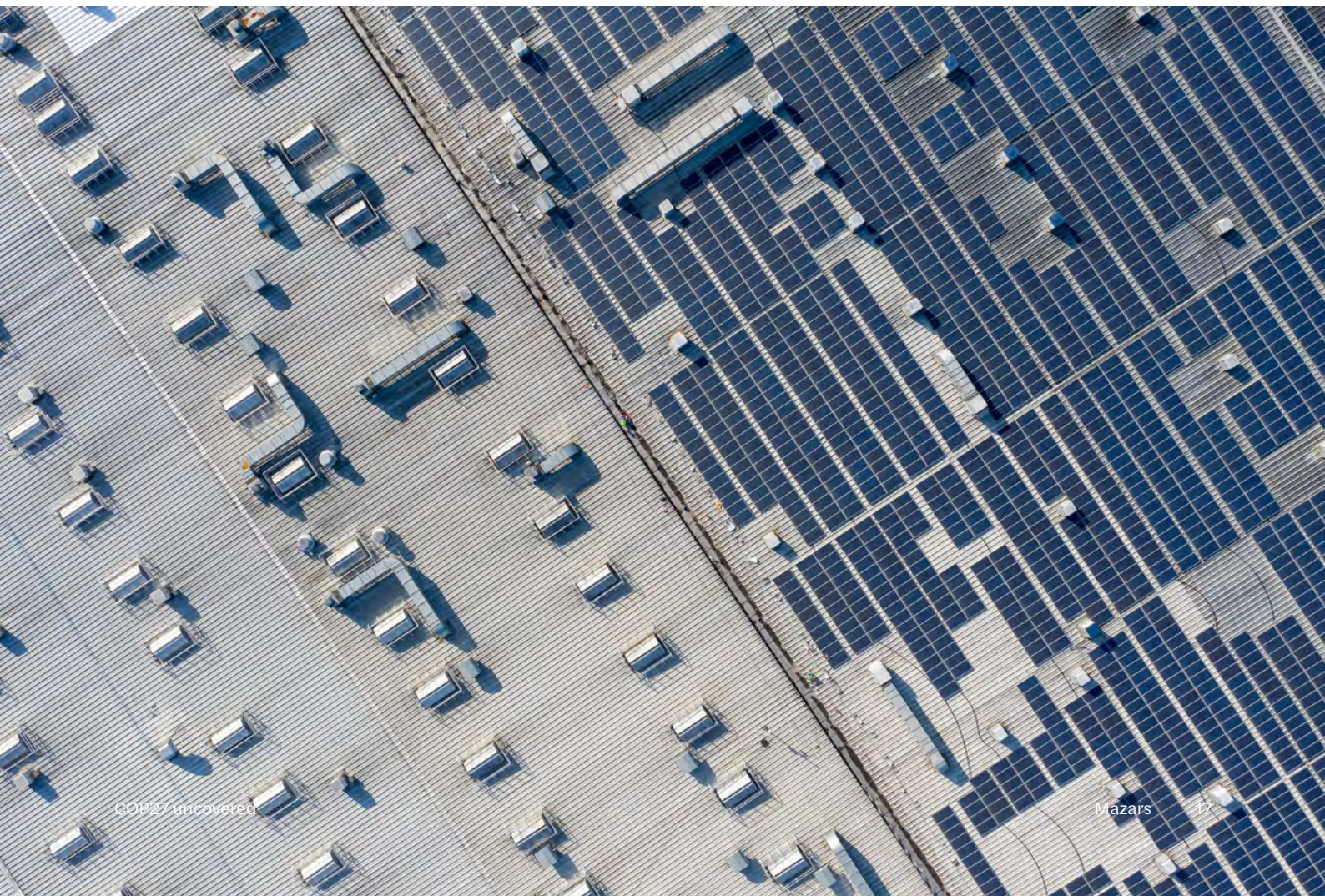
Glossary of terms

Loss and Damage: Today, global warming has reached an average of 1.1°C above pre-industrial revolution temperatures. Even this level has caused major natural disasters and the number of devastating events to increase exponentially. Floods, fires, droughts, and heat waves have caused physical and psychological damage in climate-vulnerable countries compared to previous years. It is important that countries which are responsible for historical emissions and have played the most significant role in climate change, should help reduce the impact of loss and damage faced by vulnerable countries that have been harmed by it.

Methane emissions: Methane gas is another important greenhouse gas. When methane enters the atmosphere, it is approximately 25 times more harmful than carbon dioxide. Methane emissions are produced by livestock and other agricultural practices, coal, natural gas, land use, oil production and during transport. It also arises from the decay of organic waste in municipal solid waste landfills.

NDC: Nationally Determined Contributions are national plans in which each country presents its efforts to mitigate national emissions and adapt to the effects of climate change, according to the decision taken in the Paris Agreement. These commitments must be strengthened and renewed every five years.

Article 6 of the Paris Climate Agreement (Carbon Markets): Article 6 is a cooperative mechanism, setting out how countries can avoid double counting on carbon, how they will mitigate overall global emissions, how carbon trading taxes agreed will finance adaptation efforts and how loans made before 2020 under the Kyoto Protocol will be implemented under the Paris Agreement greenhouse gases emissions targets.



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