This Is What Has Been Agreed at COP28 So Far. What Happens Next?

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These are some of the most significant announcements from the first three days of COP28 in Dubai—and key takeaways for organizations and policymakers.

Climate Finance

The UAE President Mohammed bin Zayed Al Nahyan announced a $30 billion fund for global climate solutions that aims to attract $250 billion of investment by the end of the decade. The parties to COP also pledged $700 million in funding to help lower-income countries cope with the loss and damage
caused by climate change. The presidency also launched 10 principles to make finance available, accessible, and affordable.

What Now?
- Governments will have to work to close the $18 trillion investment gap, prioritizing long-term gains over the costs in the short to medium term. This means setting granular, year-by-year targets to ensure pledges are met.
- The private sector will need to engage with regulators and governments to unlock investment and find innovative instruments to make sure the capital reaches the places that need it most. This includes moving beyond the financing of individual projects to a more systematic approach, as well as consistently integrating carbon into decision making and asset valuation.
- Multilateral development banks and other international financial institutions can double down on efforts to improve access to finance, mitigate financial risks, increase concessional finance for blended instruments, and address debt sustainably.
- There is also an urgent need to increase adaptation and resilience financing. In 2020, financing flows for climate adaptation and resilience reached only 10% of what is needed.

The Future of Food

More than 130 countries signed a declaration to include emissions from agriculture and farming into their national plans to tackle climate change. In addition, a group of 25+ leading food and agriculture organizations joined forces to scale regenerative agriculture, partnering with 3.6 million farmers to accelerate the transition of over 160 million hectares to protect the soil and limit carbon emissions.

What Now?
- There needs to be a rebalancing of public climate finance towards food systems, and companies will need to pursue a robust Global North and Global South engagement strategy.
- Social equity should be at the heart of adaptation given the vulnerability of farmers and other local workers to the changes.
- Food companies can invest in technologies and delivery models that prioritize climate-smart production of staples and nonstaples, such as disease- and drought-resistant seeds.
- By diversifying their sourcing strategies and value chains, and reducing food waste, food companies can help stabilize food prices and protect against future shocks.

Renewable Energy
Some 118 countries have agreed targets to **triple renewable power generation capacity** to 11,000 GW, and double **energy efficiency** this decade.

**What now?**

- The targets are only achievable with strong government support and sufficient financing. The task for countries is now to ensure the right policy and regulation can support the investment case, including for grid infrastructure. Organizations can also accelerate permits and cut planning time to streamline process.
- Power companies should be ready to respond to a supply signal from governments for grid investments and capacity enhancements, not overlooking the importance of grid infrastructure for a successful energy transition.
- Scale is key to bringing down costs and prices and driving efficiency. Supply chains will also need to be scaled and more engineers trained.

**Methane Reduction**

Fifty oil and gas companies pledged to reach near zero-methane emissions by 2030, and submit a plan to meet those targets by 2025. A fund was also announced for methane abatement projects in emerging markets and developing economies. The group of fifty firms also agreed to net zero greenhouse gas emissions from their operations by 2050.

**What Now?**

- Reducing methane is the most effective lever to halt temperature rises quickly, and 70% of energy-related methane emissions are abatable with existing technologies and changes in operational practices. The methane fund should be leveraged to accelerate implementation of methane abatement projects.
- The technology for the identification, measurement and analytics of methane leaks—as well as physical solutions such as replacing high-bleed pneumatic controllers—may require concessional funding for lenders.
- Mitigating emissions is often commercially viable through capturing and selling methane, and the private sector, governments and multilateral development banks will need to work together to ensure emerging markets have incentives, know-how and the funds to install such technologies, adapt workflows and culture to zero-methane operations.

For more detailed analysis and executive perspectives on the outcomes of COP28, please contact Edmond Rhys Jones.
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