

Historic Climate Deal Sealed at COP27 as Climate Conference Takes a Leap to Save Lives and Livelihoods

- Parties agree to historic loss and damage fund at COP27 to support developing countries that are particularly vulnerable to the adverse effects of climate change
- Paris Agreement remains intact – no backsliding or backtracking as commitments reaffirmed and strengthened despite global headwinds
- Progress achieved across the board at climate change talks and 1.5°C goal still in sight
- Agreement calls for multilateral development banks and international financial institutions to reform practices and priorities to ensure simplified access to climate finance
- Egyptian COP Presidency urges developed nations to follow the lead of those Parties who made substantial financial commitments

Sharm El-Sheikh, Egypt, 20 November 2022 – Today at the United Nations Framework Convention on Climate Change Conference of the Parties (COP27) Parties agreed to the establishment of a historic loss and damage fund as part of the Sharm El-Sheikh Implementation Plan on climate change after loss and damage included in the agenda for the first time. The new fund will see donors contribute to a global fund to save lives and livelihoods from climate change related disasters.

The agreement saw Parties recommit to keeping the 1.5°C target for global temperature rise intact and significant progress made across the board on climate issues.

The agreement comes despite the significant economic and geopolitical challenges of the last year and follows negotiations that ran into extra time and saw the Presidency and Parties locked in detailed discussions around the clock.

Speaking in the closing plenary, COP President H.E. Sameh Shoukry said:

“The work that we’ve managed to do here in the past two weeks, and the results we have together achieved, are a testament to our collective will, as a community of nations, to voice a clear message that rings loudly today, here in this room and around the world: that multilateral diplomacy still works.... despite the difficulties and challenges of our times, the divergence of views, level of ambition or apprehension, we remain committed to the fight against climate change.... we rose to the occasion, upheld our responsibilities and undertook the important decisive political decisions that millions around the world expect from us.”

COP President Shoukry continued, "This was not easy. We worked around the clock. Long days and nights. Strained and sometimes tense, but united and working for one aim, one higher purpose, one common goal that we all subscribe to and aspire to achieve. In the end we delivered."

The agreement saw considerable advancements across the board and pledges by developed countries in relation to Mitigation, Adaptation, Finance and Loss and Damage for developing countries in line with the Egyptian COP27 Presidency's vision for the COP.

The issue of loss and damage was, for the first time, central to the agenda at COP and progress on its financing is a pivotal part of COP27's success.

Speaking about the historic decision on loss and damage COP27 President H.E. Sameh Shoukry said:

"We heard the calls, and we responded. Today, here in Sharm El-Sheikh, we established the first-ever dedicated fund for loss and damage, a fund that has been so long in the making. It was only appropriate that this COP, the implementation COP in Africa, is where the fund is finally established. Millions around the globe can now sense a glimmer of hope that their suffering will finally be addressed, swiftly and appropriately."

The agreement and pledges made on loss and damage aim to unlock greater ambitions for mitigation and adaptation. During COP27 financial pledges were made for loss and damage from multiple countries during the COP including from Austria, Belgium, Canada, France, Germany, and New Zealand, joining Denmark and Scotland, which had made pledges previously.

The work of the High-Level Champions in implementing the 5 Year Plan for the Improved Marrakech Partnership for Global Climate Action for Enhancing Ambition was also welcomed. In particular, the Sharm El-Sheikh Adaptation Agenda, regionalisation of climate action and advancing investment and access to finance in developing countries were particularly commended. The COP further encouraged the High-Level Champions to continue enhancing their engagement with non-state actors, in alignment with the new emerging priorities from COP27, and to follow-up on the implementation of their initiatives launched this year.

As COP President, Egypt will now steward the continuous global climate change agenda in line with the Sharm El-Sheikh Implementation Plan in the year ahead.

Speaking about the year ahead, COP President Shoukry said: "We leave Sharm El-Sheikh with renewed hope in the future of our planet, with an even stronger collective will and more determination to achieve the temperature goal of the Paris Agreement.

We've just adopted the landmark Sharm El-Sheikh Mitigation Ambition and Implementation Work Programme that will hugely contribute to keeping 1.5 within reach, and I trust that we all know what needs to be done to safeguard 1.5 and ensure that we never go beyond."

NOTES TO EDITORS

Includes:

- Images
- Contacts
- Details of "Progress In Relation To Climate Action In The Agreement"
- Details of "Commitments Made At COP27"

IMAGES

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PROGRESS IN RELATION TO CLIMATE ACTION IN THE AGREEMENT

The agreement saw considerable advancements across the board in relation to Mitigation, Adaptation, Finance and Loss and Damage in line with the Egyptian COP27 Presidency's vision for the COP. These included agreements in relation to:

Mitigation

- Rapid, deep and sustained reductions in global greenhouse gas emissions required - lowering global net greenhouse gas emissions by 43% by 2030 relative to the 2019 level - to limit global warming to 1.5°C target.
- The Sharm El-Sheikh Mitigation work program introduced to scale up mitigation ambition and implementation.

Adaptation

- Glasgow–Sharm El-Sheikh work program on the global adaptation goal progressed with conclusion to happen at COP28.
- Parties to further integrate water into adaptation efforts to increase in protecting, conserving and restoring food security, agriculture, water and water-related ecosystems, including river basins, aquifers and lakes.

Finance

- The need to transform the financial system including Multilateral development banks and international financial institutions being called on to reform their practices and priorities, align and scale up funding to ensure simplified access to and mobilization of climate finance from various sources.
- Multilateral development banks called on to increase deployment of climate finance three-fold up until 2025. This includes deploying a full suite of instruments from grants to guarantees and non-debt instruments, without exacerbating debt burdens.

Loss and Damage

- Funding arrangements responding to loss and damage associated with the adverse effects of climate change, addressed for the first time.
- Historic loss and damage fund agreed at COP27 to support the developing countries and the most vulnerable suffering from climate change induced loss and damage.
- Multi-million USD pledges from multiple countries to help respond to climate calamities, with more commitments from other nations expected to follow.
- Institutional arrangements established for the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change notably in developing countries.

COMMITMENTS MADE AT COP27

In addition to the Sharm El-Sheikh Implementation Plan, a large number of commitments were made towards the implementation of climate action during the past two weeks. These included:

- The United States announcing it will contribute USD \$150 million “as a down payment” to initiatives to help Africa adapt to the changing climate. The money will accelerate work across the African continent, in support of the Adaptation in Africa initiative. This includes USD \$10 million to support the launch of an adaptation center in Egypt – the Cairo Center for Learning and Excellence on Adaptation and Resilience, announced by Egypt, which will build adaptation capacity across the African continent.
- Egypt signing partnerships for its Nexus of Water-Food-Energy (NWFE) program to support the implementation of climate initiatives with investments

worth USD \$15 billion, including an energy project worth USD \$10 billion and eight food security, agriculture, irrigation, and water projects.

- The Green Renewable Hydrogen Forum was launched by President Abdel Fattah El-Sisi, and Alexander De Croo, Prime Minister of Belgium to find ways to enhance investment in Green Renewable Hydrogen. Partners to the GRHF include: UNIDO, IRENA and the Green Hydrogen Council.
- The G7 launching a new insurance system to provide financial aid to vulnerable nations hit by the effects of climate change. Called the Global Shield. It will receive an initial €200 million of funding. Early recipients of this financing include Ghana, Pakistan and Bangladesh.
- A coalition of leading climate philanthropies announcing an investment of USD \$500 million over the next three years to accelerate a just and equitable energy transition in low and middle income countries, while boosting sustainable development and creating new economic opportunities.
- The US Environmental Protection Agency announcing it will expand its 2021 methane rule so that it requires drillers to find and plug leaks at all the country's one million well sites and reduce methane from the oil and gas industry by 87% below 2005 levels.
- Egypt and UAE state-backed organizations inking deals to develop 10GW of wind power and 2GW of green hydrogen in Egypt.
- The EU and four member states announcing provision of over €1 billion for climate adaptation in Africa. France, Germany, the Netherlands and Denmark have marked a starting point and others are now expected to join in the initiative, that will enhance early warning systems, improve funding for internal climate adaptation programs and creating new risk and insurance systems.
- And the Egyptian Presidency launched a series of initiatives across the themed days of COP27 focused on: finance, science, youth, decarbonization, adaptation and agriculture, gender, water, ACE & civil society, energy, biodiversity and solutions that will be carried forward over the coming year.