

# KEY OUTCOMES OF THE FIRST GLOBAL STOCKTAKE AT COP28

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## An introduction to the UAE consensus

COP28 will go down in history as one of the most relevant UNFCCC Conference of Parties to date, one fondly mentioned as the UAE consensus. Among many ground-breaking initiatives and COP's firsts, such as a pledge to triple renewable energy capacity, a decision on the lost and damage fund to assist the Global South, the inclusion of actors traditionally left out of the conversation, a sustainable finance push, the first-ever health day and a trade day, were particularly relevant milestones.

The world welcomed a landmark decision, referred to as the Global Stocktake, in which nearly 200 countries pledged to move away from fossil fuels, a breakthrough that came in the waning hours of the UN Climate Change Conference. The deal was hailed by

the United Nations as the beginning of the end for the fossil fuel era. A particularly relevant move, given that for over almost three decades of climate negotiations, countries had previously failed to make any mention of the root cause of the climate crisis – the burning of fossil fuels, a driver of emissions. An agreement which represents an exciting prospect for the future, seen as a floor and not a ceiling, while enabling stronger targets in the future. It is now up to nations to take the most ambitious interpretation of the statement to cut their emissions. The promise of a COP of action, unity and delivery was successfully achieved in the UAE, setting a high bar for next year's edition in Azerbaijan.

## Key takeaways from COP28

COP28 achieved a historic deal to transition away from fossil fuels. For the first time at a COP, nations were explicitly called to transition away from fossil



fuels to avert the worst impacts of the climate crisis. The landmark global stocktake decision framed as the UAE consensus was approved by representatives from 197 countries, in addition to the European Union, at the COP28. It called on countries to contribute to global efforts to transition away from fossil fuels in energy systems in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science.

The deal recognised the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5°C pathways, and called for a tripling of global renewable energy capacity by 2030. It repeated language agreed at previous summits calling on nations to accelerate efforts towards the phase-down of unabated coal power. According to the 2023 edition of the Emissions Gap Report, released in the lead up to COP28, emissions must be cut by 42% by 2030 to limit warming to 1.5°C above pre-industrial levels. To work towards this, 27 countries pledged to the Buildings Breakthrough, and more than 60 countries joined the Global Cooling Pledge and Global Methane Pledge.

They also called for the development of a list of zero and low emission technologies including renewables, nuclear, abatement and removal technologies such as carbon capture and utilisation, and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production. The consensus also targeted a rapidly phasing down of unabated coal and limiting the permitting of new and unabated coal power generation. It included phasing out of inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible. The deal aims to accelerate and substantially reduce non-carbon dioxide emissions, including, in particular, methane emissions globally by 2030.

COP28 introduced the agreement to operationalize a global fund for loss and damage. Another historic move which will assist developing countries that are particularly vulnerable to the adverse effects of climate change. Loss and damage refers to the most severe impacts of extreme weather on the physical and social infrastructure of poor countries, and the financial assistance needed to rescue and rebuild





them. The Fund was first agreed upon during COP27, held in Sharm El Sheikh, Egypt. With more than USD 757 million pledged so far, the loss and damage fund will benefit from contributions by countries such as Italy (USD 110 million), France (USD 110 million), the UAE (USD 100 million), Germany (USD 100 million), the U.K. (USD 100 million), Denmark (USD 50 million), the U.S. (USD 17.5 million), Canada (USD 16 million) or Japan (USD 10 million).

At COP28, 116 countries have agreed to triple renewable energy capacity by 2030. The tripling target would bring global renewable energy capacity to at least 11,000 gigawatts (GW) in just 6 years - more than 20% higher than current projections from BloombergNEF of around 9,000 GW by that time. The commitment also implies and to double the global average annual rate of energy efficiency improvements from around 2% to more than 4% every year until 2030. Countries with low credit ratings are struggling even more to attract investment in renewables. The UAE announced a USD 30 billion

fund Alterra, with asset managers BlackRock, TPG, and Brookfield to catalyse investment into the Global South.

The UAE Banking Federation (UBF) announced that the UAE financial sector will collectively mobilise AED 1 trillion in sustainable finance by 2030. Coinciding with the UAE's hosting of COP28, the UBF, Central Bank of UAE (CBUAE), in cooperation with the COP28 Presidency, organised an event held on finance day to facilitate global climate finance solutions and progress towards a sustainable future. The mobilisation of sustainable finance targets by the UAE banking sector advances forward-looking sustainable finance ambitions of the UAE and sets the foundations for enabling sustainable transformation and climate action. First Abu Dhabi Bank, Mashreq, Emirates NBD, ADCB, DIB, ADIB, RAK Bank, National Bank of Fujairah, Invest Bank, United Arab Bank and Commercial Bank of Dubai were among the banks who will contribute to the AED 1 trillion target (more than USD 270 billion).

More than 50 oil & gas companies committed to the COP28 Presidency's oil & gas decarbonisation charter. To date, 52 companies, representing more than 40% of global oil production have signed on to the oil & gas charter, with national oil companies representing over 60% of the signatories. This represents the largest-ever number of national

oil companies to commit to a decarbonization initiative. Among the signatories of the oil & gas decarbonisation charter there are national oil companies such as ADNOC, Equinor, Petrobras, Petronas or Saudi Aramco, as well as international oil companies like BP, ExxonMobil, Occidental Petroleum, Repsol, Shell or TotalEnergies.

### Oil & Gas Decarbonisation Charter

<b>Achieve</b>	net zero operations by 2050, at the latest no routine flaring by 2030 near-zero upstream methane emissions
<b>Invest</b>	energy system of the future including renewables low-carbon fuels and negative emissions technologies
<b>Increase</b>	transparency measurement, monitoring, reporting and independent verification of greenhouse gas emissions performance and progress in reducing emissions
<b>Implement</b>	alignment with broader industry best practices to accelerate decarbonization of operations current best practices by 2030 to collectively reduce emission intensity
<b>Promote</b>	energy poverty reduction secure and affordable energy to support the development of all economies



### First Abu Dhabi Bank as a strategic partner of COP28

First Abu Dhabi Bank was proud to be a strategic pathway partner of COP28. A partnership which

represented an integral part of the UAE's vision to support a sustainable future, the bank's broader growth strategy and its sustainability priorities. As part of its COP28 sponsorship, FAB took part in a series of engagements and thought leadership





initiatives throughout the summit. FAB pavilion at COP28 hosted over seventy expert panel sessions, roundtables and other events, featuring more than three hundred global thought leaders in daily sessions that were also livestreamed online.

**First Abu Dhabi Bank presented a six-point COP28 agenda which included:**

- Accelerating sustainable finance and advancing the UAE's development as a green finance hub;
- Supporting its clients and partners with the transition to net zero;
- Growing ESG awareness and adoption among SMEs;
- Advancing effective carbon markets through production innovation and knowledge transfer;
- Advocating for the restoration of natural ecosystems and biodiversity; and
- Empowering individuals from classroom to boardroom to be change agents for positive environmental action.

During COP28, the bank revealed its commitment to provide over AED 500 billion (USD 135 billion) in

sustainable and transition financing by 2030. This includes lending, investments, and facilitation of funds towards sustainable initiatives. This commitment stands as the largest sustainable finance pledge made by any bank in the Middle East and North Africa (MENA) region thus far. Furthermore, FAB's commitment accounts for over half of the collective AED 1 trillion (USD 270 billion) pledge made by UAE banks towards sustainable finance, as announced by the UAE Banks Federation on Finance Day during COP28.

First Abu Dhabi Bank partnered with the COP28 UAE Presidency and the SME Climate Hub, to drive climate action in the private sector across the MENA. An initiative to create a legacy platform that works a focal point of sustainability activities of SMEs in the MENA region. As one of the COP28 UAE Presidency's flagship private sector initiatives, the COP28 & SME Climate Hub for MENA is available to businesses in the region, completely free-of-charge. It is also one of the first global sustainability platforms of its kind available in the Arabic language, as well as in English and Spanish. Through the SME Climate Hub, MENA SMEs will

have access to free and comprehensive resources and tools that will enable them to make a climate commitment, take action and measure their progress towards emissions reductions in line with scientific benchmarks. This access to information, measurement and reporting tools helps businesses to bridge their knowledge and resource gaps, while making concrete progress on climate action and paving the way to a net zero future.

## The aftermath of COP28

The world now awaits with great expectations the next round of 2025 national climate action plans or Nationally Determined Contributions which all governments are now preparing. Over the next two years, governments are required to prepare new economy-wide national climate action plans. These plans must be aligned with the 1.5°C degree temperature goal and cover all greenhouse gases. They must also be underpinned with credible climate policies and regulations, including a price on carbon and responsibly reducing finance for fossil fuel. Both,

the preparation, and implementation of these plans must be fully funded and supported.

But much more is needed to keep the hope of the 1.5°C degree limit alive and deliver climate justice to those on the frontline of the crisis. Many vulnerable countries are drowning in debt and at risk of drowning in the rising seas. It is time for a surge in finance, including for adaptation, loss and damage and reform of the international financial architecture. The world needs to increase capital allocation and reform the business model of multilateral development banks to massively increase direct support and to leverage far more private finance at reasonable costs for climate action in developing countries. The world cannot afford delays, indecision, or half measures. But it can unite and rise to the challenge of the climate crisis. As the Secretary General of the United Nations, António Guterres, said: Multilateralism remains humanity's best hope. It is essential to come together around real, practical, and meaningful climate solutions that can match the scale of the climate crisis.

