

Eurochambres expectations for COP28 UAE

COP28 UAE in Dubai marks a critical point for assessing global progress under the Paris Agreement. The first Global Stocktake (GST) will provide a detailed review of achievements since the agreement's inception. This evaluation is key to directing effective climate action and identifying measures to address progress gaps. The fusion of the private sector's innovation and commitment with supportive policies is crucial for driving the green transformation.

Accelerating climate action and fostering business engagement

Described as the "implementation COP," COP28 UAE stands as a pivotal event, marking the culmination of the Global Stocktake (GST) and setting a roadmap for intensified climate action. This conference is not only a venue for operationalizing the loss and damage fund—a critical support for countries grappling with irreversible climate impacts—but also a forum for finalizing frameworks that bolster climate resilience and adaptation.

A key focus of the negotiations at COP28 is climate finance, spotlighting the report by the Standing Committee on Finance on the commitment of developed nations to double adaptation finance by 2025. The discussion extends beyond fulfilling the \$100 billion pledge, delving into how the private sector can amplify adaptation finance. Significantly, COP28 aims to establish the foundations for a post-2025 global climate finance goal, advancing from the existing \$100 billion target.

This intersection of global climate policies and the business landscape is critical. Decisions at COP28 are poised to shape regulatory frameworks, policy commitments, and investor expectations. This highlights the urgency for businesses to align their strategies with global climate goals, offering a pragmatic, optimistic, and ambitious path forward.

The business sector is already transforming in response to corporate sustainability demands. This evolution is evident in innovative, sustainable products and services and a fundamental shift in operating models to respect planetary boundaries. Driven by value creation, risk management, and the need to reconfigure economies within these boundaries, this change is profound.

In recent years, the business sector's commitment to renewable energy has surged. In 2022, investment in energy transition technologies reached a record \$1.3 trillion. Although this falls short of the required investment for the 1.5°C scenario, the International Energy Agency projects a significant increase in clean energy investment in 2023, signaling a decisive shift in investment priorities.

The interplay between government policy, political will and proactive steps by businesses underlines the essence of COP28 as the "implementation COP". The private sector's commitment and innovation capability, combined with supportive policies, regulations, and infrastructure, is pivotal for this transformation.

Eurochambres' main messages and recommendations

Global Stocktake (GST): The main purpose of the GST is to facilitate the assessment of ongoing progress and work towards stronger commitments. The GST, to be adopted in Dubai, will focus on three key areas: Mitigation, Adaptation and Climate Finance and will be the basis for the revision of the Nationally Determined Contributions (NDCs). COP28's framing of the GST is crucial for building momentum against climate change. It is imperative that COP28 ensures collaborative efforts between governments and business and financial sectors for effective actions and targets. Future climate considerations must be integrated into public and private economic and financial decisions at a global level, maintaining fairness and a global level playing field.

Climate Finance: This year's COP emphasizes a significant shift in climate-related financing. Companies worldwide must reassess investment strategies and financial models to align with sustainable development goals, especially in developing countries. A key aspect is to make climate finance more affordable, available and accessible. This can lead to increased financing for green projects, increased support for climate adaptation technologies in vulnerable regions and greater integration of sustainability criteria into investment decision-making processes.

The European Commission estimates that achieving the objectives of the EU climate goals will require additional annual investment of over €620 billion per year. While such estimates are subject to uncertainty, it is clear that achieving these targets will require a significant increase in investment. All calculations assume that unlocking more private capital for climate action will be crucial to reach the targets. COP 28 must therefore negotiate both the effective use of public funds and better framework conditions for private investors.

Public-Private Partnerships: Achieving climate goals necessitates access to diverse stakeholder expertise. Alongside civil society voices, industry and business sector experts should continue contributing as recognized observers. Given the global challenges of climate change, no industry or sector should be excluded from active participation.

Global Cooperation: The guiding principle of internationally oriented climate policy should continue to be the international harmonisation of climate protection standards and coordinated pricing of greenhouse gas emissions. Effective climate protection is only possible through new investments in the energy transition and efforts at the global level. Measures limited to the EU will have only a minimal effect against the backdrop of the rapidly declining share of EU global greenhouse gas emissions.

For the EU the goal must be to demonstrate to the international community that we can successfully combine climate protection and economic growth, in order to make a significant contribution to international climate protection. Ideally, other countries will then follow this sustainable European approach.

Technology and Innovation: Innovations and new technologies are crucial for successful energy and climate policies. As the Sixth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC) shows, in most scenarios, CO₂ cannot be completely avoided in all processes. This calls for new solutions like the capture, storage, and utilisation of CO₂, as this is the only way to achieve climate neutrality. Stimulating innovations through technology-neutral support and incentives is key, alongside creating favourable conditions for companies, including expedited permitting procedures and financing opportunities across sectors.

Eurochambres – the association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers’ strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers’ member businesses – over 93% of which are SMEs – employ over 120 million people.

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