



Brazil & COP28: a review

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COP28: Key Developments

The 28th Conference of the Parties (COP28) took place in Dubai, United Arab Emirates, between November 30 and December 13. With the urgent need to mitigate and adapt to climate change and operationalize the Loss and Damage Fund created at COP27, the global challenge of implementing a fair energy transition and the ongoing uncertainty regarding the market mechanisms in the Paris Agreement, COP28 saw progress in several areas. However, significant issues regarding the climate agenda remain pending decision.

This publication provides a brief analysis of the key events and developments that marked COP28, as well as a specific focus on Brazil's participation at the event.

First Global Stocktake of the Paris Agreement

The closing of COP28 was marked by the [First Global Stocktake](#) of the Paris Agreement. This transparency mechanism sought to assess global progress toward the Paris Agreement's objectives (based on the principles of equity and the best available science) in order to prepare the Parties for the submission of the third round of Nationally Determined Contributions (NDCs) scheduled for 2025. The Global Stocktake revealed details about the progress countries have made so far, taking into account the actions the parties have undertaken since the Paris Agreement was signed.

The Global Stocktake established that the current global trajectory for greenhouse gas emissions (GHG) is insufficient to keep the rise in global average temperatures to below 2°C (while striving to limit increases to 1.5°C) and reiterated that collective action is required to meet these targets. The First Global Stocktake addressed important aspects such as climate change mitigation, adaptation, financing, technology transfers and developments, loss and damage, and international cooperation.

In regard to **mitigating** the effects of the climate crisis, the Stocktake recognized that an urgent global effort was needed to reduce GHG emissions. For example, NDCs should aim to:

- (i) Triple renewable energy capacity and double improvements in energy efficiency by 2030;
- (ii) Accelerate the progressive reduction of unabated coal energy;
- (iii) Move away from fossil fuels in a fair, orderly and equitable manner, to achieve net-zero emissions by 2050;
- (iv) Eliminate inefficient fossil fuel subsidies; and

(v) Accelerate the shift toward low-emission and no-emission technologies, including (but not limited to) nuclear power, low-carbon hydrogen, and carbon capture, utilization and storage.

Furthermore, it pressed the importance of increasing impact reduction efforts at the national level, promoting voluntary cooperation (as outlined in Article 6 of the Paris Agreement) and encouraging nations to stipulate more ambitious emission reduction targets in their next NDCs to cover their entire economy, all GHG sources, sectors and categories. These objectives must be aligned with the goal of limiting global warming to 1.5 °C.

As for **adaptation**, the Stocktake stressed the importance of ecosystem-oriented adaptation and nature-based solutions. It also highlighted the global objective of improving adaptation capacity, strengthening resilience and reducing vulnerability to climate change, promoting sustainable development and ensuring appropriate adaptation responses in line with the goal to limit temperature rises set in the Paris Agreement. Importantly, the Stocktake pushes for each country to implement urgent, progressive, and transformative adaptation measures in line with their specific characteristics and circumstances by the Parties and other stakeholders. As such, by 2030, all Parties must have:

- (i) Updated their climate risk impact assessments;
- (ii) National adaptation plans based on the results of the impact assessment;
- (iii) Made progress in implementing their adaptation plans; and

(iv) Designed, established and made operational a monitoring, evaluation and learning system for their adaptation efforts.

The Stocktake also noted the **financing** gap between what is needed and what is provided to help developing countries implement their NDCs, with current estimates suggesting a further USD 5.8–5.9 trillion is required up to 2030. Furthermore, it highlighted developing countries' financing needs for climate adaptation – estimated at an annual USD 215–387 billion until 2030 – and a need to invest around USD 4.3 trillion per year in clean energy until 2030 (increasing to an annual USD 5 trillion thereafter until 2050) to achieve global net zero emissions by 2050.

The role of governments, public funding, central banks, commercial banks, institutional investors and other financial institutions was also highlighted in regard to:

- (i) Improving assessments and management of climate-related financial risks;
- (ii) Ensuring or improving access to climate finance across different sectors and regions; and
- (iii) Speeding up the ongoing creation of new and innovative financing sources (including taxes) for boosting climate action and thus enabling the reduction of harmful incentives.

The Stocktake decided to advance financing-related discussions on the interpretation and scope of Article 2.1c of the Paris Agreement that commenced at COP27 in Sharm el-Sheikh, Egypt. Article 2.1c calls on governments to make sure financial flows are consistent with a low-carbon economy and is complimented by Article 9, which provides for developed countries to communicate projected financial resources to be

provided to developing countries. Moreover, the Stocktake determined high-level dialogue was required at COP29 to address the urgent need to increase financing for adaptation, and highlighted the importance of developed countries preparing a detailed report on their commitment to doubling the resources for adaptation until the year 2025 (based on 2019 levels).

The fundamental role of **technology transfers and development** in facilitating urgent adaptation and mitigation measures in line with the objectives of the Paris Agreement was also noted, given the uneven pace of climate technology adoption between the Parties. Cooperative action – especially with the private sector – should be strengthened at the international level to boost the implementation of existing technology, promote innovation and develop new technology. The Stocktake also launched a technology implementation program supported by the financial mechanism in the UN Framework Convention on Climate Change - UNFCCC (among other initiatives), which aims to expand support for implementing technology based on developing countries' priorities.

On the issue of **loss and damages**, the Stocktake expressed deep concern about substantial economic and non-economic losses and damages resulting from the adverse effects of climate change – in particular, how this reduces developing countries' tax capacity and creates obstacles to achieving the UN Sustainable Development Goals - UNGPs. The Stocktake recognized the importance of developing countries (especially the most vulnerable ones), as well as sections of the population that are susceptible due to factors concerning geography, socioeconomic status, livelihoods, gender, age, minority status, marginalization, displacement or disability, including the ecosystems which depend on the loss and damage initiatives in helping face the impacts of climate change.

Within the context of climate change impacts, the Parties were called upon to improve the coordination and consistency of efforts related to disaster risk reduction, humanitarian assistance, rehabilitation, recovery, reconstruction, displacement, planned relocation and migration. Furthermore, the Stocktake highlighted the importance of taking action to further prevent, minimize and redress loss and damages associated with climate change consistently and effectively.

The progress COP28 made in defining the key aspects for making the Loss and Damage Fund operational was also recognized.

The Stocktake recognized the crucial role of **international cooperation** in addressing climate change within the contexts of sustainable development and eradicating poverty. This is particularly vital for those who face significant constraints on capacity, as it concerns the strengthening of climate action throughout all industries, regions and sectors of society. The Parties have an important role in actively engaging with civil society, companies, financial institutions, cities, subnational authorities, indigenous peoples, local communities, young people and research institutions to support other countries and contribute to significant collective progress toward the temperature targets set out in the Paris Agreement.

Moreover, the Stocktake noted that a fair workforce transition and the creation of decent jobs and economic diversification are fundamental to maximizing positive impacts and minimizing negative impacts of responses to climate change. It declared that such measures and strategies must be implemented considering people's diverse circumstances and varying national contexts.

Finally, as a way of guiding the Parties' next steps, the Stocktake reiterated that they must adopt domestic mitigation measures to achieve their NDC goals, and report the measures they intend to adopt. The Parties have until December 2024 to present their first biennial transparency reports and national inventories and until November 2025 to present their next NDCs to the secretariat.

Energy Transition

Beginning the transition away from fossil fuels

The question of ending the use of fossil fuels was hotly debated among the world's leading political and economic actors well before COP28, where it was high on the agenda. COP28 President-designate Sultan Ahmed Al Jaber – who also happens to head the state-owned Emirati oil company Adnoc, one of the world's largest oil exporters – spoke out against using the phase-out of fossil fuels. On December 3, Sultan Al Jaber controversially stated that there is no scientific basis that justifies the phasing out of fossil fuels as a measure to limit global warming to 1.5°C (relative to pre-industrial levels) – a declaration in stark contrast to what scientists and experts have said.

Despite this, expectations about building a possible consensus on fossil fuels persisted throughout COP28. Given the increasingly frequent occurrence of extreme climate events, the final document for COP28 was expected to explicitly emphasize the need to phase out fossil fuels. While certain countries argued against using the term 'phase-out' in relation to fossil fuels (some of whom pushed to use the weaker term 'phase-down' in its place), others defended the need to expressly mention the need to phase out fossil fuels.

On December 13, the conference closed with an official note on the “beginning of the end” of the fossil fuel era, in accordance with the results of the [First Global Stocktake](#). It calls on the Parties to ‘transition away’ (as opposed to ‘phase out/down’) from using fossil fuels for energy in a fair, orderly and equitable manner.

Green Hydrogen

Considered a fuel of the future and key to transitioning to a low-carbon economy, green hydrogen (derived from water electrolysis) can be used in a range of sectors, including transportation, industry, and even energy generation. It was explicitly mentioned in the First Global Stocktake as a national development option for the Parties to achieve a fairer energy transition.

Green hydrogen production was the subject of the COP28 Energy Transition Changemakers award in the Low Carbon Hydrogen category. The COP28 Presidency considered global initiatives both in development and in operation that overcame obstacles via innovative, revolutionary solutions with the potential to be scaled up and expanded to other regions – thus accelerating the shift to a fairer energy transition with benefits for society as a whole.

Another COP28 initiative, the [Joint-Agreement on the Responsible Deployment of Renewables Based Hydrogen](#), deserves mention. With 59 signatories, the Agreement seeks to boost the implementation of renewable hydrogen-based technologies and promote the expansion of hydrogen production and trading. The document endorses the signatories’ joint effort to establish and comply with principles and standards regarding the responsible production, transportation and end use of hydrogen technologies.

Financial Mechanisms

Climate Loss and Damage Fund

One of the most anticipated developments at COP28 was adopted on the very first day – the [decision](#) to operationalize the Climate Loss and Damage Fund (a key topic at COP27).

- **Objective and Scope**

The Climate Loss and Damage Fund seeks to provide a new source of multilateral financing to assist developing countries in responding to loss and damages (economic or otherwise) linked to the adverse effects of climate change.

The financial support the fund provides to vulnerable countries may include supplementary financing for humanitarian actions in the wake of extreme weather events, developing national response plans, correcting insufficient climate information and data, and ensuring safe passage in the event of displacement, relocation, and migration.

All developing countries can access the fund's resources directly, even via local bodies or communities.

The fund must function properly and complement other existing and future financing tools that support developing countries in responding to climate change.

Furthermore, the decision to operationalize the fund provides for developing a mechanism that will help to ensure that activities the fund finances are implemented with high-integrity social and environmental safeguards and fiduciary principles and standards.

- **Donations**

The decision pushes developed countries to take the lead in providing financial resources to the Fund, while other countries are also encouraged to make contributions. In other words, contributions are voluntary – the text does not address any obligations, commitments or minimum contributions for developed countries.

To date, countries such as Japan, the United States, Germany, and the United Arab Emirates have already made donations totaling more than USD 700 million.

- **Resource allocation**

The fund's board will develop a funding allocation system that will take certain requirements into account, such as:

- (a) The needs and priorities of developing countries;
- (b) The scale of the impacts of climate events in relation to national circumstances, including the response capacity of the affected countries;
- (c) Available information and data from entities such as the Intergovernmental Panel on Climate Change (IPCC) and/or pertinent knowledge from vulnerable communities and indigenous peoples about their exposure and susceptibility to the adverse effects of climate change;
- (d) Recovery and reconstruction cost estimates based on information and data from important actors; and
- (e) A minimum funding allocation percentage for the least developed countries and small island developing States.

According to the decision, the Loss and Damage Fund will apply a streamlined approval process consisting of simplified procedures and criteria, while still upholding social and environmental safeguards and financial transparency standards.

- **Operationalization**

The World Bank is responsible for making the Loss and Damage Fund operational during its first four years. Eight months on from the end of COP28, the World Bank is required to have taken the necessary steps to get the fund up and running. As the fund's manager, the World Bank may invest contributions in the capital markets to preserve the capital and overall investment income, provided due diligence is carried out. The fund is expected to adopt simplified procedures for funding allocation under favorable conditions.

- **Governance**

The fund will be governed and supervised by a board, which is to function as its primary decision-making body. The board will be responsible for overseeing the operations of all the fund's key components, approving financing according to established criteria, developing a resource allocation system, and establishing monitoring and evaluation procedures for funded programs and projects, among others.

The board will represent all Parties as a transparent governance body, consisting of 26 members with the following balanced structure:

- (i) Twelve from developed countries;
- (ii) Three from countries in Asia;
- (iii) Three from countries in Africa;

- (iv) Three from Latin America and the Caribbean;
- (v) Two from small island developing countries;
- (vi) Two from least developed countries; and
- (vii) One from a developing country outside of the above groups.

Moreover, important regional and constituent groups will be able to appoint representatives with knowledge of necessary technical, financial, and loss and damage concerns as board members (including supplementary members). Such appointments must also factor in considerations of gender balance.

- **Stakeholder contributions**

From the outset, the decision to make the Loss and Damage fund operational recognizes that climate change is a common concern among all humanity. In dealing with climate change, the Parties must respect and consider their respective obligations regarding human rights, the right to a clean, healthy and sustainable environment, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities, and people in vulnerable situations, as well as the right to development, gender equality, women's empowerment, and intergenerational equity.

Furthermore, the Loss and Damage Fund will establish consultative forums to engage and communicate with stakeholders. These forums will be open to a wide range of stakeholders, including representatives from civil society organizations, environmental NGOs, trade unions, indigenous peoples, young people, women, climate-induced migrants, the private sector, and governments.

The board will also increase stakeholder engagement by inviting active observers to participate in its meetings and other related procedures.

- **What comes next?**

The Parties must now submit their recommendations for the fund's board members to the UNFCCC secretariat as soon as possible.

Furthermore, provisions will be drawn up to ensure that the fund is accountable and operates in line with COP guidance. These will be analyzed and approved at COP29 in 2024.

Brazil at COP28

COP28 saw Brazil send its largest delegation to date. President Luiz Inácio Lula da Silva's speech drew attention to the urgent need for energy transition, emphasizing the importance for the global economy to be less dependent on fossil fuels. He also highlighted how developing countries are the ones that suffer most from the effects of climate change.

One of the main items on Brazil's agenda was deforestation. At COP28, the Brazilian delegation revealed reduced rates of deforestation in the Amazon, while also launching the Tropical Forests Forever fund – a global financial mechanism for raising funds to protect and preserve tropical forests – with an initial fundraising target of USD 250 billion. The Brazilian government announced criteria that countries must meet to receive payments, including keeping deforestation rates below an annually defined percentage. The fund is expected to be made operational by COP30.

Brazilian Supreme Court Justice Luís Roberto Barroso also addressed the issue, arguing that the preservation of the Amazon has to co-exist with a sustainable economy. He argued that preserving the Amazon and promoting agribusiness are not mutually exclusive, as agribusiness is essential for Brazil's development and depends on environmental protection.

Discussions on the Amazon and nature-based solutions became the subject of more focus at COP28, with significant engagement from Brazilian states – especially those located in the Amazon region. The governor of the state of Pará, Helder Barbalho, actively participated in various events concerning the preparation and outlook for COP30, which is scheduled to take place in Belém, the capital city of Pará, in 2025.

Despite the prevalence of deforestation debates, fossil fuels remained a focal point for Brazil at COP28. Even though President Lula da Silva's speech stressed the need to create a less fossil fuel-dependent economy, his government controversially decided to join the expanded group of the Organization of the Petroleum Exporting Countries (OPEC) known as OPEC+, which includes major oil producers such as Saudi Arabia, Iran, Iraq, and Russia.

The decision to join OPEC+ was criticized as contradictory by environmentalists, considering Brazil's return to a leading role in global climate discussions. In response, President Lula da Silva stated that Brazil intends to participate in the group to "convince oil-producing countries that they need to prepare for the end of fossil fuels."

Article 6 of the Paris Agreement – Carbon Market

Article 6.2 – Internationally Transferred Mitigation Outcomes (ITMOs)

Article 6.2 of the Paris Agreement allows for the trade of surplus mitigation outcomes beyond what is necessary for countries to meet their stated targets. These are known as Internationally Transferred Mitigation Outcomes (ITMOs).

The focal points of discussion concerning Article 6.2 at COP28 were:

- (i) Authorizing ITMOs,
- (ii) Creating an international registry (and how this would interact with Article 6.4, which covers the international carbon market); and
- (iii) Transaction reports – including the information and format countries are required to provide when reporting transactions each year.

In essence, these discussions predominantly revolved around questions of transparency and integrity. However, there were no major breakthroughs on these topics – as such, a series of recommendations were made to continue discussions on outstanding issues.

Article 6.4 – The International Carbon Market

Article 6.4 provides for the certification of greenhouse gas (GHG) emission reductions, permitting private entities to participate and trade such certificates in an international carbon market.

However, certain important procedures needed to make this operational have yet to be properly defined, despite substantial progress having been made at COP26 in Glasgow. A supervisory body was appointed at the time to advance discussions on these definitions and develop provisions to operationalize the mechanism in Article 6.4.

Via Decision 3/CMA, the Parties to the Paris Agreement (CMA) asked the supervisory body to provide recommendations on:

- (i) Applying methodologies (rules, modalities, procedures) to make the mechanism in Article 6.4 operational; and
- (ii) Activities involving carbon removal – including adequate monitoring, reporting, removal accounting, credit periods, addressing reversals, leakage prevention, and preventing other negative environmental and social impacts.

The goal behind recommending methodologies was to provide a basis for evaluating greenhouse gas emission reductions or removals and determining whether activities meet additional requirements. As such, principles for determining Article 6.4 methodologies were outlined.

The supervisory body approved and forwarded their recommendations to the CMA just before the start of COP28, with the expectation that the CMA would make additional considerations and approve the recommendations during the conference.

However, the negotiations at COP28 were insufficient to enable the operationalization of Article 6.4 to go ahead. One reason for the lack of consensus was the lack of clarity on what constitutes the concept of ‘avoided GHG emissions’. Thus, discussions are expected to continue during COP29.

Declarations and Partnerships Established

Several partnerships were established during COP28. Notable highlights include:

- Over 60 countries signing the [Global Cooling Pledge](#), which aims to reduce at least 68% of emissions across all sectors globally by 2050 (compared to 2022 levels).
- The [Coalition for High Ambition Multilevel Partnerships for Climate Action](#) was signed by over 60 countries, including Brazil – an initiative highlighting the importance of coordination at all levels, including municipal, state, and regional governments. The coalition’s commitments include:
 - (i) Establishing inclusive institutional and informal processes for subnational governments to contribute to further improving NDCs (when applicable) before COP30 in 2025;
 - (ii) Including subnational projects in climate-related investment priorities; and
 - (iii) Creating a space for dialogue between national and subnational governments.
- The [Declaration on Climate Relief, Recovery & Peace](#), which aims to undertake financial efforts to support climate adaptation and resilience, has been signed

by 80 countries and 43 organizations. The declaration brings together countries affected by climate change and financial resource providers in a commitment to accelerate both climate action and support for populations, communities, and countries threatened or weakened by conflicts and those facing severe humanitarian needs.

- Predominantly consisting of companies, the [Oil and Gas Decarbonization Charter](#) seeks to accelerate climate action. It demonstrates the intention of those involved to continue working toward best industry practices in relation to concerns around reducing GHG emissions in the oil and gas sector.
- 13 countries joined the [Global Climate Finance Framework](#), which aims to invest between USD 5 billion and USD 7 billion annually to help 'green' the global economy by 2030 and achieve the UNGPs.
- 123 countries (including Brazil) signed the [Global Commitment on Renewable Energy and Energy Efficiency](#), which has the following objectives:
 - (i) Collaborate in developing resilient value chains and technology, including through voluntary transfers under mutually agreed terms and conditions;
 - (ii) Expand financial support for the expansion of renewable energy and energy efficiency programs in emerging markets and developing economies, including investment from multiple sources within the private sector, multilateral development banks and philanthropy;
 - (iii) Collaborate in creating accessible financing mechanisms to reduce the cost of capital in emerging markets and developing economies;

- (iv) Improve technical support and capacity building for developing economies in renewable energy and energy efficiency; and
- (v) Boost cross-border connections within this network.

Continued Debates on Climate and Human Rights

Although less pressingly than at COP27, the close relationship between human rights and climate was reinforced throughout COP28. Events, statements and certain commitments all recognized climate change as a highly relevant factor for the health and food security of the world's population. Fewer issues related to these topics took the spotlight this year, however, themes such as environmental racism and traditional communities did permeate through the debates.

Among the main expectations for COP28, the move to operationalize the Loss and Damage Fund on the first day of the conference was a positive development for climate justice. The push for developed countries to provide financial resources to remedy the damage caused by climate change and extreme events to developing countries has been central to the agenda in recent years, and has occurred in line with advancements in climate justice discussions and the equity underpinning of the Paris Agreement.

The recognition of the impacts of climate change on the health of different populations was also noteworthy. The key document in this regard was the [United Arab Emirates COP28 Declaration on Climate and Health](#), which was endorsed by 123 countries (including Brazil) and prepared in partnership with the World Health Organization - WHO. Among other commitments, the declaration provides for transforming

health systems to be more climate-resilient, low-carbon, sustainable, and equitable, and preparing communities and vulnerable populations better for the impacts of climate change.

A prominent theme at COP27, food remained on the agenda with the release of the [UAE Declaration on Sustainable Agriculture](#), Resilient Food Systems, and Climate Action, which was endorsed by over 150 states – including Brazil. The declaration seeks to scale up adaptation and resilience activities to protect food producers from the impacts of climate change, promote food security and nutrition, support vulnerable people, support agriculture and food system workers (including women and youth) whose livelihoods are threatened by climate change. It also aims to strengthen integrated water resource management in agricultural and food systems, and conserve, protect, and restore land and natural ecosystems by adopting more sustainable production and consumption practices, including reducing food loss and waste.

In a similar vein, a group of countries co-chaired by Brazil, Norway, and Sierra Leone launched the [Alliance of Champions for Food Systems Transformation](#), focusing on the transformation of food and land use systems. The initiative prioritizes action around ten themes:

- (1) Increasing affordability;
- (2) Improving livelihoods;
- (3) Enhancing resilience;
- (4) Advancing gender parity;
- (5) Protecting and restoring nature;
- (6) Scaling up sustainable management practices;

- (7) Reducing GHG emissions;
- (8) Reducing food loss and waste;
- (9) Accelerating innovation; and
- (10) Realigning public financial and policy incentives.

Gender issues were present on the agenda once again, manifesting via the [COP28 Gender-Responsive Just Transitions and Climate Action Partnership](#). The partnership focuses on driving gender-responsive just transitions that strengthen all women and girls' leadership and meaningful participation, decision-making, capacities, and livelihoods in climate action to achieve gender equality and support sustainable and transformative impacts of adaptation, mitigation, and finance efforts.

On the other hand, several themes that to center stage at previous Conferences of the Parties – such as traditional communities, intergenerational issues and climate activism – took a backseat at COP28. It will be interesting to see if these issues return to prominence in the next editions of the COP, especially COP30, which Brazil is set to host in 2025.

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