



TNC Brazil at COP 27




COP27 Context:

What were last year's
main advances?

Funding announcements


COP26 was held in Glasgow during November, 2021 and was characterized as the site of one of the most important climate negotiations in recent years, after having been postponed due to the COVID-19 pandemic. Therefore, after this postponement of important debates and decisions, the main results of the negotiations were:



Global commitment to forestry funding: 11 countries and the European Union have committed US\$ 12 billion in public funding for the 2021-2025 period to support forestry countries that show concrete steps to end deforestation by 2030.




Joint Statement by the Multilateral Development Banks: Multilateral Development Banks are committed to fostering positive nature-centered investments.




Glasgow Financial Alliance for Net Zero - GFANZ: A global coalition of 450 financial institutions representing around US\$ 130 trillion was established to advance green economy investments and achieve de-carbonization of the global economy by 2050.


Funding announcements




Innovative Finance for the Amazon, Cerrado and Chaco - IFACC: 8 financial institutions and agribusiness organizations announced a US\$ 3 billion commitment to soybean production and cattle ranching free of deforestation and conversion of natural habitats in South America.




Private Sector Representatives: The Bezos Earth Fund committed a US\$ 3 billion investment for conservation, restoration and food processing. Unilever CEO, Alan Jope, presented the goals of the Lowering Emissions by Accelerating Forest Finance - LEAF coalition.



Global Alliance of Territorial Communities - GATC: Governments and private donors have announced a commitment to allocate US\$ 1.7 billion to the GATC in order to strengthen indigenous people and traditional communities.



UN Net Zero Asset Owner Alliance: The alliance accounts for US\$ 10 trillion in assets and has committed to phase out most thermal coal assets by 2030 for industrialized countries, and globally by 2040.



Race to Zero: More than 30 leading financial institutions, jointly with more than US\$ 8.7 trillion in combined assets under management, committed to combating deforestation driven by agricultural commodities, and have pledged to eliminate investment in activities linked to deforestation.



Targets undertaken by countries

Targets undertaken by countries



Leaders' Declaration on Forests and Land Use: Leaders from 141 countries committed to halting and reversing forest loss and degradation by 2030, with the promise of public and private funding.

Global Methane Pledge: 110 countries agreed to take voluntary action at domestic level to reduce global methane emissions by at least 30% by 2030.

Glasgow Breakthrough Agenda: The main objective of the agreement is to make clean technologies cheaper and more accessible by 2030.

Declaration on accelerating the transition to 100% zero-emission cars and vans: 33 countries, plus states, cities and private companies will work towards all new car and van sales by 2040, or by 2035, to be zero-emission in major markets.

Glasgow Pact: The pact was agreed at the end of the Conference and defined several targets for reducing the use of coal as a source of energy and restoring deforestation, among others.

Article 6 (International Carbon Market)

As one of the main impasses of the last editions of the Climate Summit, article 6 of the Paris Agreement was adopted at COP26. Its adoption included decisions aimed at regulating articles 6.2 (*Internationally Transferred Mitigation Outcomes - ITMOS*) and 6.4 (*Clean Development Mechanism - CDM*), dedicated to operationalizing carbon market instruments, in addition to 6.8 (*non-market approaches*).

Thus, the possibility of double counting ITMOs and transferred and traded carbon credits was removed, and the pending issue related to using carbon credits generated by projects developed under the CDM was resolved. Regarding the latter, it

was agreed that CDM credits from projects registered in or as of 2013 may be used only to fulfill NDCs until 2030, while projects that request transition to the new mechanism provided for in Article 6.4 by 2023 – and that are approved by 2025 – may continue.


Furthermore, in addition to cancelling 2% of units generated in projects under the Article 6.4 mechanism for fostering emission mitigation, this same mechanism will recognize the generation of **voluntary credits**. A 5% tax on carbon credit transactions traded by the private sector or by NGOs was also approved, to be allocated to the Adaptation Fund.


A group of people, including a woman in a green shirt with text, walking through a lush forest. The woman in the foreground is wearing a green long-sleeved shirt with the text "Instituto de Gestão Territorial e Ambiental Terra Indígena Apyterewa" and a diagram of a globe. She is also wearing a pink patterned skirt. Other people are visible in the background, some wearing similar green shirts. The forest is dense with green foliage and trees.


TNC Brasil's expectations for COP27

In addition to its recommendations for COP26, TNC actively participated in the discussions in Glasgow in 2021, advocating natural climate solutions and offering our scientific expertise to help put those solutions into practice. In November this year, representatives from nearly 200 countries will meet in Sharm-El-Sheik to re-coordinate global climate actions. With that in mind, our expectations are:

TNC Brasil's expectations for COP27

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- **REDD+ in Article 6:** Eligibility of REDD+ activities under the mechanisms mentioned in Article 6 of the Paris Agreement remained unanswered. For COP27, further understanding and consideration of this eligibility is expected under Articles 6.2 and 6.4, as Article 5 of the Paris Agreement encourages Parties to implement REDD+ through results-based payments and alternative approaches.

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- **Loss and damage:** One of the most sensitive points of COP26 was the demand for financing for loss and damage. There was a demand for establishing a specific fund for compensating countries that are most vulnerable to the impacts of climate change, but that was unable to overcome resistance from developed countries. At COP27, loss and damage need to be more effectively integrated into funding discussions.

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- **Article 6 and negotiations:** With the regulation of Article 6 done, COP27 will focus on technical issues for its implementation. In addition to further discussion on the eligibility of REDD+ actions, it is expected that the processes will be handled with transparency and standards that guarantee maximum credit integrity. This includes reporting requirements, conversations about the mandated oversight body, and other remaining issues.

TNC Brasil's expectations for COP27

- **TNC's Priority Topics:** TNC has expectations mainly regarding the following topics:

- » **Funding:** without financial resources, conservation is just a conversation. We expect public and private sector leaders to increase their investments in mitigation and adaptation. TNC is committed to providing robust tools to unlock the financial potential of natural resources, including REDD+, Payment for Environmental Services (PES) and developing the socio-biodiversity product chain.
- » **Adaptation:** TNC prioritizes nature-based solutions (NBS), such as protection and restoration, to help people in vulnerable communities adapt to the severe effects of climate change. This includes social justice, gender equity, alleviating poverty, and strengthening indigenous people and traditional communities. To that end, we expect major investments in adaptation, loss and damage, coastal resilience, regenerative agriculture, and food security.
- » **Mitigation:** to reduce greenhouse gas emissions, it is necessary to strengthen public policies, make better use of financial mechanisms, and advance in developing low-impact clean energy, focusing on fair transitions and equitable benefit sharing.
- » **Neutralizing Emissions:** we urgently need key public and private actors to step up their ambitions to limit temperature rise. We expect concrete actions from the private sector to reduce their emissions and from the public sector to take on more aggressive targets to effectively reach zero emissions by 2050.

TNC in the fight against climate change

The Nature Conservancy (TNC) has been operating in Brazil for about 30 years, fostering initiatives in the country's main biomes. Always guided by science, TNC has been strongly active in the forest restoration, regenerative agriculture, good practices in livestock, and water security agendas. TNC has also developed innovative strategies aimed at valuing standing forest through bioeconomy and payment for environmental services, and for reducing emissions from deforestation and forest degradation (REDD+). The organization uses a collaborative approach, involving local communities, governments, the private sector and other partners, to balance economic and social development with conservation of natural ecosystems. Find out more [HERE](#)

The Nature
Conservancy



Brasil