

PRESS RELEASE

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PUBLICATION OF THE 2022 GLOBAL SYNTHESIS REPORT ON CLIMATE ACTION BY SECTOR

"This report, the only one to synthesize the reality of climate action at the global level, reveals that climate efforts are still notoriously insufficient, but they are not negligible in many sectors, including mobility, energy, and others. These efforts must be scaled up on all continents, which also requires more accessible and adequate financing for all actors in local territories, particularly those in the most vulnerable countries.

By publishing the Key Takeaways of the Global Synthesis Report on Climate Action by Sector 2022, Climate Chance provides a unique overview of climate action at the global level in key emission sectors: energy, transport, buildings, industry, waste, and land use.

This report assesses the reality of the actions taken by all actors in each sector. The association is following through on its mission to observe the implementation of announced measures, monitor the evolution of emissions, and analyze actors' strategies in relation to international climate objectives."

Ronan Dantec, President of the Climate Chance Association



THE 10 KEY TAKEAWAYS, PRESENTED AT COP27

At COP27, Climate Chance will publish [the summary of the 2022 Global Synthesis Report on Climate Action by Sector](#), in order to contribute to negotiations and show, not only the power of action of non-state actors, but also the immense amount of work that remains to be done to stabilize emissions.

The Climate Chance Observatory, launched by Climate Chance in 2018, conducts an annual analysis of recent trends in climate action by companies, local authorities and civil society organizations as a whole, as well as signals of such action and the remarkable initiatives that make it possible to identify the most effective levers for a transition to a low-carbon future. The Observatory shows climate action as it is, not as it should be; commitments, projections and recommendations do not fall within its scope of analysis.

The Global Synthesis Report on Climate by Sector is a comprehensive report **that tells the complete story behind the evolution of greenhouse gas emissions in major emission sectors worldwide,**

namely energy, transport, buildings, industries, waste and land use. This is the flagship publication of the Climate Chance Observatory, which is presented every year during COP, and is most likely the only publication to offer such a comprehensive overview of climate action by all non-state actors on a global scale.

One year before the Global Stocktake, and as the year 2022 marks a return of emissions, more or less rapid depending on the sector, closer to their 2019 level, it is essential to show the evolution of mobilization and to understand how climate action was organized over the year.

For this 2022 Global Synthesis Report, **10 "Key Takeaways" are explained and will be presented in detail on November 9, at the COP27 in Sharm el-Sheikh, during a press conference.**

1 • In the light of the explosive growth in demand, the use of fossil fuels is outpacing the boom in renewable energies

In 2021, global emissions from energy use rebounded to above their 2019 level. Between OPEC production quotas and soaring prices, oil was the only fossil fuel whose emissions remained below its 2019 level. Gas, despite inflation, saw an increase in demand in all sectors. Most importantly, coal accounted for half of the global increase in electricity demand. The exceptional growth in renewables observed during the pandemic has slowed slightly, but renewable capacity additions continued to grow in 2021. The war in Ukraine is not a trigger, but an accelerant for gas market tensions generated by the economic recovery from lockdowns. While this global crisis presents an opportunity to accelerate the energy transition in the long term, it also acts as a brake in the short term, driving up prices and providing a reprieve for coal.

2 • Despite a carbon-fuelled recovery, industrialized economies are returning to their transition trajectories

2020 was a year of exception, which, although it accelerated certain transition trends (such as the massive adoption of bicycles in many of the world's major cities), does not reflect the momentum that began before the pandemic. Despite a first quarter marked by containment measures that still affect emissions figures, 2021 confirms the transition trends that industrialized economies have embarked upon: coal is in decline, gas is increasingly competing with rapidly growing renewables, and the decarbonization of transport has finally been launched in some European countries, notably those that have embraced electrification. Gas price inflation, triggered in the second half of 2021 by the global economic recovery and then accelerated by the war in Ukraine, is driving governments to new investment plans to achieve energy independence based on low-carbon energy.

3 • Record electric vehicle sales are still outpaced by SUV growth

The rebound in new vehicle sales in 2021 is characterized by accelerating demand for electric models (10% of global sales, up to 20% in Europe and China, twice as much as in 2020). From rail to urban mobility, no sector has escaped electrification, with differing regional trends: motorized two-wheelers in India (+132% in 2021), buses in Latin America (+27%), and bicycles in Europe (1/4 of sales). The increase in public purchasing subsidies (+77%, \$273 billion) is a very effective market driver, accelerating the installation of charging infrastructures (+40% in 2021) and having a more than proportional leverage effect on private spending. However, the success of SUVs with carmakers and consumers (45.9% of global sales), the second largest source of growth in global emissions, is likely to outweigh the efficiency gains of electric vehicles. Moreover, as vehicle efficiency is almost proportional to weight, the orientation of EVs towards heavy-duty models marks a persistent attraction to the imagery of power, which underlines one of the major paradoxes of the global transition.

4 • Forests: Beyond contrasting national images, funding shifts to performance-based payments



In 2021, the loss of tree cover (-2%; 25.3 Mha) and of primary forest (-11%; 3.75 Mha) has decreased, without reversing the trend. Among the drivers of deforestation, fires have increased their share of forest destruction, generating even more emissions (+4%, 378 MtCO₂). Although the main economic sectors with high forest risk (cattle, palm oil, cooking, paper, etc.) are increasing their level of commitment—albeit unevenly—the indicators available to measure progress towards international targets remain far from the mark. The push for climate-biodiversity dual-impact financing is accompanied by a more holistic typology of actions, such as rights of nature, life-cycle approaches to measuring corporate footprints, the socio-economic transformation of production chains, or the certification of biodiversity co-benefit offset projects.

5 • Transition policies are increasingly influenced by economic nationalism and a capitalistic concentration of industries

In 2021-22, the global economic recovery, extreme weather events and the war in Ukraine have highlighted the vulnerability of value chains and the strategic interdependencies of transition industries. Industries such as the automotive sector, in the context of concentrated resources of strategic minerals (lithium, nickel, cobalt), favour long-term supply contracts and the vertical integration of value chains. From the opening of lithium mines to the production of renewable energy, reindustrialization oscillates between cooperation and competition. In Europe, the United States, China, and in emerging countries rich in raw materials, State planning is taking over to relocate value chains (40 gigafactory projects in Europe), or to nationalize national leaders (EDF, Uniper). At the same time, the inflation of energy prices is leading to a Darwinian selection process among market players, to the advantage of large capitalist companies, supported by their home countries.

6 • The consequences of global warming negatively impact mitigation policies

The last seven years have been the hottest on record globally. In 2021, the increase in climatic events has caused colossal human and agricultural losses and disrupted the operation of electricity networks (nuclear, hydroelectric, transmission systems, etc.) and transport infrastructures (especially railways). Simultaneously, short-term adaptation needs (air-conditioning, refrigeration, irrigation, etc.) generate additional energy expenses—essentially covered by fossil fuels—which weaken transition scenarios and erase the gains made by long-term actions, such as the thermal renovation of buildings or agro-ecology, whose adoption rate remains low. Conversely, the emergence of "State sufficiency" in the public debate, in response to the tensions in the energy market, opens up a new horizon of combined actions for mitigation and adaptation in the long term.

7 • While adaptation is increasingly well funded and planned, it is still difficult to measure its impact

As extreme and structural impacts of climate change increase, the need for investment and insurance to cover and protect against risks is becoming more and more critical. While major bilateral and multilateral donors are dedicating an increasing share of their climate finance to adaptation, the parity with mitigation funding targeted by the Paris Agreement is still far from being achieved. Between the NDCs, the national communications on adaptation under the Paris Agreement and the National Adaptation Plans under the Cancún Adaptation Framework, States have, overall, initiated their adaptation planning. But on the ground, adaptation projects still lack concrete measurements for their impact, as evidenced by the scarcity of quantitative or qualitative indicators of climate risk reduction in academic publications that attempt to evaluate them.

8 • Swept along the Net Zero wave, the voluntary carbon market shifts into another dimension

In 2021, the voluntary carbon market broke all records (nearly \$2 billion in transactions, x4 growth since 2020), driven by the wave of corporate commitments to achieve "net zero emissions". In

particular, credits certifying Nature-based Solutions projects (afforestation, reforestation, conservation, etc.) are flourishing and occupy the leading position in the market (around 50% of credits traded). Biodiversity co-benefits and socio-economic development of local communities are also highly sought after. However, emission removal credits, which allow for the capture and additional sequestering of CO₂ over the long term, remain largely undeveloped. While it allows private financial resources to be funnelled into projects that benefit the mitigation of greenhouse gas emissions, the ability of companies and other organizations to claim "carbon neutrality" in the absence of a universal standard is controversial.

9 • Under legal and shareholder pressure, carbon-heavy industries are adjusting the pace of their transitions

The year 2021 did not mark a major break or acceleration in shareholder activism: more and more environment-related proposals were introduced—especially climate-related—but only a fraction of them were voted on, and very few received a majority. A practice that was still marginalized during the early 2000s, and mostly concentrated in the United States, the use of the law against government and corporate climate policies is one of the major trends in recent years. A small majority of the decisions rendered are favourable to climate action, but their long-term effects are still under-researched. In spite of this, this dual pressure is pushing carbon-heavy industries a little more towards a transition in which they control the pace: no major player is giving up its most carbon-intensive traditional activities (oil, gas, coal, etc.), which are also the most lucrative and potential drivers of investment for transition.

10 • Communities and local governments adapt the transition to their territories

Local governments are at the forefront of implementing climate policies tailored to citizens' needs. In terms of mobility, major European cities are increasingly pushing for the electrification of bus fleets and the reconfiguration of public space in favour of walking and cycling, while limiting car traffic by introducing low-emission or car-free zones. While the bulk of electric bus fleets are in China, European and U.S. cities are increasingly embracing them. Local governments are going beyond the targets set at the national level, improving the energy efficiency of their buildings and infrastructure, introducing minimum energy performance requirements, adaptation measures in building codes, or adopting decarbonization policies for heating. Local cooperatives are suffering from the energy crisis, but are proving effective for adaptation.

About the Climate Chance Observatory

The Sector-based Report is one of a series of reference publications released by the Observatory of Non-State Climate Action, available in French and English on Climate Chance's portal of climate action.

About Climate Chance

Created in 2015, Climate Chance is the only international association involved in the mobilization against climate change seeking to unite all non-state actors recognized by the United Nations Framework Convention on Climate Change—the UNFCCC. Its objective? To strengthen the climate action of local authorities, businesses and civil society by bringing together actors and exchanging best practices, to advocate and promote common priorities and initiatives, and thus to contribute to the achievement of the goals laid out in the Paris Agreement.

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